Daily Report

Latin America

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Cuba

MPSP Declaration on Falklands Occupation

FL191339 Havana Tele-Rebelde Network in Spanish 1200 GMT 19 Feb 88

[Text] The Movement for the Peace and Sovereignty of Peoples [MPSP] has issued the following declaration:

The Margaret Thatcher administration once again has demonstrated its colonist and aggressive nature by announcing that military maneuvers will be held in the South Atlantic from 7 to 31 March and that troops will be transported to the Malvinas Islands.

Great Britain is attempting to perpetuate its illegal dominance over those islands, harming Argentine sovereignty, and mocking the international community with this provocation. This shows that the British Government prefers provocation to talks and has not complied with repeated resolutions from the United Nations to resolve this conflict through dialogue.

Cuba's MPSP reiterates its most firm solidarity with the Argentine people for the recovery of their sovereignty of the Malvinas and calls on all progressive forces and peace lovers to condemn their illegal occupation and provocations and to work for the realization of justice.

Government Gets Support From 'Arafat in Geneva

FL200230 Havana Radio Rebelde Network in Spanish 0000 GMT 20 Feb 88

[Text] PLO leader Yasir 'Arafat expressed today in Geneva his support for Cuba during a news conference held in one of the rooms of the Palace of the Nations. Arafat reiterated the Palestinian support to Cuba regarding the efforts the United States has made to attack the country at the 44th UN Human Rights Commission meeting being held in the Swiss city of Geneva and in the other settings.

Memorial Held for Nicaraguan Leader Astorga

FL201504 Havana Tele-Rebelde Network in Spanish 1400 GMT 20 Feb 88

[Text] A ceremony in memory of outstanding Nicaraguan leader Nora Astorga, who died some days ago, was held at the Foreign Ministry in Havana. Attending the ceremony were Javier Chamorro, deputy foreign minister of Nicaragua; Jose Ramon Viera and Ricardo Alarcon, acting foreign minister and vice foreign minister of Cuba, respectively; and other officials of the Nicaraguan and Cuban Foreign Ministries.

Alarcon summed up Nora Astorga's revolutionary career and her dedication to the defense of the Sandinist revolution. For his part, Javier Chamorro expressed appreciation for the simple ceremony and said it was evidence of the brotherhood and fraternal feelings between Cuba and Nicaragua.

Meeting on Marxist Psychology Ends in Havana

FL201448 Havana Radio Progreso Network in Spanish 1200 GMT 20 Feb 88

[Text] The second Latin American meeting of Marxist psychology and psychoanalysis has ended in Havana. Fernando Gonzalez, president [as heard] of the Cuban Society of Psychologists, said the meeting was an encounter with Latin America. Jose Miguel Salazar, president of the Inter-American Society of Psychologists, said the meeting showed that the necessary freedom of expression and confrontation to hold this kind of event existed in Cuba.

Talks Held With Mexico on Cultural Ties

FL200055 Havana Radio Reloj Network in Spanish 2044 GMT 19 Feb 88

[Text] Hermes Herrera, Cuba's vice minister of culture, today in Mexico City called very positive his talks with Mexican officials to strengthen cultural exchanges and cooperation between the two countries.

Herrera met with (Martin Reyes Baizabel), Mexican under secretary of culture; (Manuel de la Cera), director general of the Fine Arts Institute; and the general directors of the Cervantes International Festival and of cultural coordination of the Autonomous University of Mexico.

The official noted that as of today, exchange and commercial channels are more concrete to bring Cuban artistic soloists and groups not only to the capital but to several Mexican cities.

(Reyes Baizabel) said Cuba and Mexico are two countries which have common likes and sensibilities.

Brushfire Near Guantanamo Base; Damage Unknown

FL201435 Havana Radio Progreso Network in Spanish 1200 GMT 20 Feb 88

[Text] It has been reported that a fire broke out yesterday morning in an undergrowth area near the Guantanamo Naval Base. Airplanes with fire extinguishing equipment were sent to the area. It is not yet known what damages the fire might have caused.

ANPP Meeting Held; 1988 Budget Approved

FL191912 Havana Tele-Rebelde Network in Spanish 1200 GMT 19 Feb 88

[Text] The extensive construction program in Havana City was the most discussed topic at the special meeting of the National Assembly of the People's Government [ANPP] held in Havana's FAR Universal Hall.

At the meeting, the delegates approved the ANPP plan and budget for the current year. The most significant aspect of the budget is the expected increased in the minibrigade and social brigade movements, which together will build projects valued at more than 156 million pesos.

Professional and lay judges were also elected as part of the new members of the Provincial People's Tribunal, which will begin its duties on 24 February, Day of the Fatherland.

To improve urban bus service in Havana City, it was reported that 75 buses are expected during the first half of this year and 250 will be incorporated during the remainder of the year.

Radio Rebelde Director on Station's Role, Plans

FL201943 Havana Tele-Rebelde Network in Spanish 1247 GMT 19 Feb 88

[Interview with Radio Rebelde Director Juan Hernandez by Maritza Navarro in Tele-Rebelde's Studio 11—live]

[Excerpts] [Navarro] The first question is: How are the activities to celebrate Radio Rebelde's 30th anniversary coming along?

[Hernandez] [Passage omitted] We are working, first of all, on strengthening our programming. I say this because Radio Rebelde undertook to reach the month of February with a detailed analysis of all its programs, all its reviews, carried out by its work collectives. The present situation of each program space was determined in previous analyses and we decided to introduce certain changes, improvements, etc. This process should culminate in February and it involves the internal structure. In addition, a whole plan of activities is taking place at the same time; for example, in music, which is one of the station's missions. [passage omitted] We can also cite some other internal activities such as our workers' huge effort toward a very symbolic goal, 30 hours of voluntary work in the minibrigades per individual. [passage omitted]

[Navarro] In your view, what is the significance of Radio Rebelde for Cuban broadcasting?

[Hernandez] Radio Rebelde is an integral part of the Cuban radio system. I personally believe that Cuban radio has managed, at this time, to come up with a system, an organization in which stations complement each other. I mean that there are several levels, categories of radio stations. We cannot ignore the role played by student radio stations. They number a few. They are a collective, a community of students in high development areas. There are municipal radio stations that most fulfill the communication function, the ones that best reach their respective audiences because they deal with issues that more closely affect their communities. There are the 18 provincial radio stations whose priorities are the provincial issues. And, of course, they fulfill their role of attending to and meeting the needs of the territory, the population in each province. Some can even be heard from one province to another because radio propagation permits this.

Lastly, there's the national system; that is, the national networks which have become stronger. Radio Rebelde, Radio Progreso, Radio Reloj, CMBF, Radio Musical Nacional—which covers a good part of Cuba—and the extension of Radio Enciclopedia to several provincial capitals; they all complement a system in which there are several options. There are five national options in which Radio Rebelde plays a certain role: up to date news, a lot of sports, and so on. Of course, Rebelde alone could not meet all the needs in Cuba. Rebelde is...

[Navarro, interrupting] It's team work. Quickly now, since they are signalling to us—as a media person, Juan knows what this means. One more thing, though. Pola, director of CMBF, Radio Musical Nacional, was here a few days back, and told us about some changes in its programming. Will the same thing happen with Radio Rebelde? Will its present programs change? Or is experiment a better word?

[Hernandez] Our programming is very stable right now. Nevertheless, our analyses based on social research by our research team, our monitoring center, the letters we get, show that there are some timeframes that we should really strengthen. We should introduce qualitatively superior changes. There is a comprehensive plan to make us stronger—to give it a name—and to help us look into some things the rest of the year. We are going to do some things that could be called experimental and which could be well received by the public.

Haiti

New Foreign Minister Meets With Diplomats

FL200020 Port-au-Prince Radio Nationale in French 1700 GMT 19 Feb 88

[Excerpts] The new minister of foreign affairs, His Excellency Mr Gerard Latortue, met yesterday morning with the ambassadors accredited in Haiti, at his invitation, at the Foreign Ministry on the Bicentennaire.

The ceremony began with a series of individual contacts with each diplomat. After an exchange of greetings and small talk, the Haitian foreign minister made a brief speech highlighting the importance and implications of the ceremony.

In his remarks to the diplomats, Foreign Minister Latortue called to mind the fact that the priority of the government in power is to implement a rule of law, under which basic freedoms will be respected and democratic principles applied. At the same time, he stressed the cordial relations that should exist between the government and the foreign missions in Haiti.

Further on, Foreign Minister Latortue assured the diplomats that any foreign aid—which he considers a sacrifice made by foreign taxpayers—will be put to good use and will be incorporated into the country's overall socioeconomic plan. He concluded, that with the help of the international community, the Haitian Government intends to raise the living standards of the Haitian masses. [Begin Latortue recording] Your excellencies, ambassadors and members of the consular corps, gentlemen representatives of international organizations: It is my pleasure to welcome you to this Foreign Ministry, which is—and rightfully so—your home in Port-au-Prince. I insisted on doing this immediately because I am leaving tomorrow. I have to go to Vienna to take leave of my UNIDO [United Nations Industrial Development Organization] colleagues and get my personal effects. Then I will be returning to join you so that together we can see how Haiti can, with the help of the international community, take appropriate measures to try to raise the standard of living of the Haitian masses.

(?And here is) a very special message from the president of the Republic, so that you can, in your reports to your capitals, inform your respective governments. The president of the Republic asked me to tell you that from the moment the new government was installed, our main objective has been to implement in this country a rule of law, to create conditions in which fundamental freedoms will be respected and democratic principles applied, and that our entire economic and social development program will be carried out with respect for public freedoms.

Of course, as you know, one does not go from night to day without passing through the dawn. You must understand that, in the same way, one does not go from a society with authoritarian traditions to a democratic society overnight without occasional problems. But the guarantee we wish to give is that if there are indeed slipups, we will do everything in our power to determine their causes and find out who was responsible for them. Those responsible will be sanctioned. I want to give you this guarantee straight-off, right at the beginning of my speech today.

Furthermore, on my own behalf, I would like to reiterate to you how interested this Foreign Ministry is in maintaining close, friendly—and I would even go so far as to say "personal"—relations with the diplomatic and consular corps as a whole. Since I am—even still today—an international official, you can well imagine how interested I am personally in entertaining, with you, first-rate professional relations.

I want to tell you that since this Foreign Ministry is also responsible for coordinating international aid, I would like to be able to count on your help so I can help you coordinate this international aid. In this sense, I would say that everything should go through this ministry so we can avoid the practice that occurs in certain countries where, when one does not have projects all ready, one goes and tries to fish for them here and there, in different ministries. [end recording] [passage omitted]

Furthermore, the new Haitian foreign minister strongly criticized meddling in internal Haitian affairs by certain foreign ambassadors, according to a communique from the Haitian Ministry of Information made public in Port-au-Prince yesterday. Mr Latortue, speaking upon officially taking office, termed "intolerable" the fact that certain countries—which he did not name—have gotten into the habit of meddling in internal Haitian affairs over these last few years.

Certain ambassadors had their own presidential candidate, denounced Mr Latortue. He said he felt they would have to be reminded of international practices and of the attributions and responsibilities of an ambassador.

Recalling that this state of affairs was the consequence of the (?principle) used abroad by Haitians to appeal to friendly countries to rid themselves of the dictatorship, the minister said the time had come for them to understand the difference.

We have an elected government and democratic structures where everyone can discuss the different programs for a society, he stressed, saying he felt there was no reason to involve friendly countries or any other countries in this Haiti's business.

Interview Held

FL192310 Port-au-Prince Radio Soleil Network in Creole 1930 GMT 18 Feb 88

[Report on interview with Gerard Latortue, new minister of foreign affairs by an unidentified Radio Soleil reporter, date and place not given—live or recorded]

[Excerpts] We interviewed Mr Gerard Latortue, who is the minister of foreign affairs, international cooperation, and culture [title as heard]. He began by talking to us about his hometown. He is from Gonaives and was born in the Raboteau section. He studied at the monks' school and at Lycee in Gonaives, and came to Port-au-Prince for Philo class [the final class in the Haitian secondary system]. Then he went to law school. He was valedictorian of his class and received a scholarship to study in France, where he specialized in economic affairs.

He returned to Haiti in 1960. In 1961, (?when Duvalier re-elected himself to another 6-month mandate, they went out and picked up people to stage a rally for him. Latortue refused to attend.) Mr Latortue had to go into exile for refusing to attend Duvalier's rally. He has lived in several African countries. For the past 15 years, Latortue has been working for the United Nations and has been the director of a section at the central headquarters in Vienna for the past 5 years. He came to

represent the United Nations at the inauguration of Haiti's new President Leslie Manigat, and, he said, that is how he came to join the new government, in order to help the people.

Let's listen to an interview with Latortue by one of our reporters.

[Begin recording] [Unidentified reporter] Mr Latortue, you are the minister of foreign affairs, international cooperation, and worship. How do you view these three spheres?

[Latortue] Well, all three of these spheres are very important. I hope I can handle all the work they involve. Let's take them one at a time.

The first aspect, foreign affairs, encompasses everything that concerns Haiti's relations with foreign countries and also foreign countries' relations with Haiti. What we want to do is, [rephrases] one of the problems we see is that there are a number of countries—both large and small—that always think they can score a couple of points at Haiti's expense. They constantly meddle in Haiti's business. They don't respect any of the rules of diplomacy. They stick their nose into everything.

So, we would like to make all those countries understand that even though Haiti is little and poor, it is still an independent nation and should be respected just like any other country. All the rules and regulations that apply in relations with other countries should apply to Haiti, too.

The other day, when I was installed, I talked about that also. I was saying: My goodness, when you arrive in Port-au-Prince, you find everybody, all the foreigners, meddling in Haiti's affairs.

So, we would like our policy to be one of defense of Haiti's national sovereignty, defense of Haiti's dignity. Because you here in Haiti, I know, suffered physically from events in the country over the past 30 years. But you cannot imagine how we who were outside Haiti also suffered. We suffered from the humiliation (?to which the entire Haitian people were subjected). At present, everybody considers us worthless. So I think the main objective is for us to improve the country's image abroad; and we will do all we can to accomplish this.

At the same time, we are going to see to it that our diplomats abroad are not just dandies, concerned only with looking good, and thinking only about what fashionable clothes to wear to receptions. We would like the Haitian diplomats abroad, wherever they are serving, to see how they can serve the country, how they can make people abroad understand the problems we have here in our little Haiti—our rapidly-growing population, the erosion doing us in, and so forth. We would like them to be able to explain these problems overseas and also see how they can use their presence overseas to help Haiti.

[Reporter] How do you feel about those ambassadors? Will you be able to train other cadres? Or are you going to [words indistinct] those who are there return so you can send other people who can really represent Haiti, who can defend our compatriots abroad?.

[Latortue] You know, just yesterday I had a meeting with all the Haitian diplomats who are posted abroad and who were here temporarily. They came here for the inauguration of the president, and they came to see me. I told them: Friends, there is something you have to understand. A man cannot be an ambassador abroad for life. There are people who have been ambassadors since 1957. We are going to make some changes.

Along with the change of government, we have to send new faces to go talk to people abroad. They cannot see the same people, who were there during the dictatorship, still representing Haiti! I think there has to be a change made here, one way or another.

In making the change, we will be looking for people who are first of all ready to defend the country abroad. If they are not trained, we will obtain training for them. We are looking for people who are not too old, dynamic, enthusiastic people, and especially, knowledgeable people—(?people whose mouths cannot be shut).

I saw this while I was abroad. There are a bunch of international meetings and you see a bunch of Haitians attending. They would take money and go and they would never open their mouths. They were never able to say how Haiti was or what our problems were. They were unable to defend the country. We need capable people, trained people, and especially, people who have the desire and will to defend the country. Also, we are looking for people a little younger—both men and women.

[Reporter] When a country gives Haiti aid, [words indistinct].

[Latortue] That's what I'm telling you! We haven't discussed this in detail in the government. Like I told you, we just got started. We were installed Monday, and Tuesday was a holiday, so the full government has not yet met to discuss all the problems. This is something that I personally cannot accept. There must be a distinction made between someone's wanting to help develop the country and what is called interference.

Just this morning, someone came to see me. They had a whole program, together with the department of public health, to help people. When these things happened in Haiti 2 or 3 months ago, all the aid was immediately cut off, everyone had to be fired right then and there, and that was the end of that program.

I don't think we can develop the country on the basis of things like that; because in order to develop a country, the measures you have to take cannot be changed overnight. So the experience we just had, with what happened here in

Haiti on 29 November, where we saw a bunch of countries cut off aid abruptly [shift in thought] immediately, you see all the development programs fall by the wayside.

I would like to explain to other countries that they must make this distinction. They might disagree with us on something that happens but they cannot allow their first reflex to be a cut-off of their aid just because they disagree with us. If they do this, it indicates they are not seriously interested in helping the country develop. What they want is to help us but at the same time control us. They need to be able to control us, to be able to pressure us all the time. I don't believe that is the concept we should have of aid, if we really want help in developing the country. Of course, I know that for the past 30 years much of the aid being given by many of these people went into people's pockets. Therefore, the people involved did not defend Haiti's interests sufficiently because they were taking some of the aid for themselves. I think the country (? is now aware) [shift in thought] When they look at the people in this government, they can see not one of them needs to steal.

Everyone here made a little sacrifice in order to be willing to accept the position of minister. They are people who could be much more than a minister—people who don't need to be ministers to make a decent living. If they are here today, it is to see how they can help Haiti. I intend to speak quite frankly to the countries that wish to help us. I will study projects with them, and I will tell them frankly that if the goal of the project is to develop the country, they cannot just shut it down overnight because they disagree with a political decision. [passage omitted]

[Reporter] There is also a Dominican newspaper that speaks of the recruiting of Haitians to again go and cut cane in the Dominican Republic. Do you know about this? Is this true?

[Latortue] I heard about this recruitment thing yesterday, just like you did. I can assure you the government is not going to organize any recruitment center at present. I have already asked about this, and the government told me there was nothing like this going on.

This business of recruiting has for a long time involved a lot of underhanded wheeling and dealing. There was a lot of money made from it. Well, now we are going to examine those problems more closely. We don't want to get involved in this before making sure that if Haitians go they will get all their money and be given proper working conditions, proper housing, food, health care if they are sick, and so forth. If not, we will not get involved in this thing at all.

[Reporter] Mr Latortue, how do you view our diplomatic relations with other countries and especially, are we going to establish full diplomatic relations with Cuba.

[Latortue] Well, I know all of you here in Haiti are very sensitive about this matter. I think someone already put that question to the prime minister and also to the president. I think the government's position is that we are willing to establish good relations with all countries, as long as the country in question agrees to respect Haiti's sovereignty, as long as the country does not meddle in Haitian affairs. We have just arrived. We are going to see if there are other countries that want to establish diplomatic relations with Haiti.

We don't have enough money to (?maintain) ambassadors in too many countries. We might even have to close two or three embassies, or regroup them because we don't have money to pay all those people who are abroad. If you talk about establishing diplomatic relations, this means more expenses. I think there are too many problems in Haiti for us to spend a lot of money on diplomatic missions abroad. You know, of course, the dollar has dropped a lot in value, all over the world. We don't have money to pay [shift in thought] If we cannot pay a diplomat to do his job properly, it is better not to send one out at all because otherwise, the diplomat we send out [rephrases] we will end up being embarrassed abroad. [end recording]

Waste-Carrying Vessels Forbidden To Enter Ports

FL192130 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 19 Feb 88

[Text] The Ministry of Information made a note public yesterday evening from the Ministry of the Interior, approved by the prime minister, informing all shipping lines and owners of private vessels of whatever tonnage that entrance to Haitian ports, territorial waters, or economic zones is forbidden to all vessels carrying waste, garbage, residues, or any other material that might endanger the health of Haiti's population or poison the marine environment, air, or land. The note continues: This notice rescinds any and all prior authorizations that may have been given, regardless of where they may have come from.

In agreement with the chief of state, the government, whose mission, says the note, is to watch over the well-being of Haitians nationwide, will do everything in its power to prevent or counter any attempt to dump trash, whether toxic or not, anywhere in Haiti. The note continues: The national authorities should redouble their vigilance in this regard. International authorities and organizations will be informed of this and this note is to be distributed both inside and outside Haiti.

This is a note bearing the seal of the Ministry of Information.

However, the Ministry of Information does not say anything about the status of the investigation of the "Khian Sea" affair announced earlier. Has this file been closed? In any case, observers in Port-au-Prince think it is very important that this matter be traced back through the Ministry of Commerce before 7 February 1988.

Second Boat Rumor
FL192149 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 19 Feb 88

[Excerpt] The matter of toxic waste and the "Khian Sea" is etched particularly in the memory of the people of the Artibonite but also, to a lesser extent, in the minds of Haitians nationwide.

They find it most impertinent for a boat to come all the way from Philadelphia carrying its trash to dump here. They are also talking about collusion between bigshots here and the trash people, who managed to obtain permission to come dump this trash here and who nevertheless got their passports back and were allowed to go on their way without the slightest problem. But there was another boat on the seas. It was rumored to be heading for Fort Liberte, in northeastern Haiti. Apparently there is much talk of this in the northeast.

Yesterday, Wednesday, 17 February, after a radio station in Cap Haitian broadcast a news report to the effect that a ship loaded with waste was heading for Fort Liberte to dump it, there was much talk about this matter among the population. They were thinking about diverse problems the town is already confronting. Was it the Haitian authorities who gave this boat permission to come and dump all its junk? Is the town considered a trash dump?

For their part, the sailors in Fort Liberte said they have not encountered the vessel, but if they should encounter it, it will get what it deserves. It will not be able to get away like it did in Gonaives.

The inhabitants of Fort Liberte say they have been living without electricity, without drinking water, and without any socio-political-economic structures for God-knows-how-long. They are reminding all the country's leaders that Fort Liberte is the main town of a geographical department. Even as regards the church, each department has its own diocese—but not Fort Liberte!

The population wants to know if the northeast was raised to the status of a department in order to turn it into a trash and poison dump. The people say that if this boat so much as shows its face in Fort Liberte, they will use it to set a national example. The population of Fort Liberte says: Development is okay. However, garbage and poison will not be allowed to come to Fort Liberte. No, thanks! [passage omitted]

Further Report
FL192207 Port-au-Prince Radio Nationale in French 1700 GMT 19 Feb 88

[Excerpts] The business of the "Khian Sea", the boat that unloaded tons of toxic waste in the Gonaives area, is not yet settled. Already there are rumors that another vessel, the ("Bark"), with a capacity of 14 thousand tons of waste, left Philadelphia 4 February for Haiti.

At the beginning of January, you will recall, the "Khian Sea" anchored in the harbor of Gonaives, near (Lapierre) and with the complicity of certain people, unloaded its cargo of mud and toxic waste, thus endangering the inhabitants of the area, not to mention the probable damage that will be caused to the area's flora and fauna. Despite the order to load the waste back on the ship issued by the Haitian authorities, the "Khian Sea" simply lifted anchor and nothing more was said about the toxic waste.

After Gonaives, could it now be Fort Liberte's turn? According to certain rumors, the destination of the ("Bark") and its cargo of waste is Fort Liberte. Is this a new "order", or a new scheme of the livestock breeders of the West? In any case, one need not worry excessively about this, because an Information Ministry note informs that measures have been taken to forbid the entry into Haitian ports of all garbage, waste, and residues. [passage omitted]

Furthermore, there is a report of a British tanker in the Port Salut harbor. This vessel, which is in difficulty, would like to rid itself of a certain amount of fuel oil, but has reportedly been refused permission to do so by the Haitian authorities. A delegation representing the Ministries of Interior, Defense, and Agriculture that went to Port Salut, came back and reported that no traces of pollution were seen.

Finally, we remind you that Greenpeace is here in Haiti. This international environmental protection organization had recently waged a campaign to prevent waste from the city of Philadelphia from being exported to Panama. The waste in question was toxic, containing dioxin and (?furane), cancerogenic (?magnetic iron ore) and toxic heavy metals such as lead, cadmium, mercury, and arsenic. According to a Greenpeace spokeman, the waste from the "Khian Sea" unloaded in Gonaives is of the same origin. [passage omitted]

Illegal Immigrants in Dominican Republic Viewed
FL191514 Port-au-Prince Radio Metropole in French 1700 GMT 18 Feb 88

[Excerpts] There have been new roundups among the Haitians who are in the Dominican Republic illegally. Our compatriots are still being forcibly recruited to cut sugarcane under inhuman conditions in the sugar camps. The new Haitian Government is also concerned with this situation and they have contacted Dominican Foreign Minister Donald Reid Cabral on this matter.

In an official note addressed to his Dominican counterpart, the Haitian foreign minister has proposed the repatriation of Haitians who are in the Dominican Republic illegally. Dominican authorities consider this to be the more acceptable solution and Haiti has offered the assistance of the Haitian Embassy in Santo Domingo.

This is the first time Haitian authorities have offered their cooperation in solving the problem of the more than 1.5 million Haitians who are in the Dominican Republic illegally, notes the Dominican foreign minister, who terms the Haitian proposal good.

The first contacts between officials of the two governments will be based principally on the Haitian authorities' request that the Haitians residing illegally in the Dominican Republic not be forced to cut cane. [passage omitted]

For their part, the members of the National Sugar Council, which is responsible for Dominican sugar production, denied they directly participated in any way in forcibly recruiting Haitian laborers.

[Begin recording] [Unidentified speaker, in Spanish with consecutive Creole translation] [Words indistinct] official of the National Sugar Council explains that when you have a situation like this, where the Haitian laborer crosses the border illegally or legally and comes to ask for work, we give him work; because this is to the advantage of both the sugar industry and the laborer.

The National Sugar Council, as a company, does not investigate its employees. They ask us for work, and we pay them for the work they do. The aspect of illegal Haitian entry into the country concerns the Dominican Government and not the National Sugar Council as a company. [end recording]

In an exclusive interview he gave Radio Metropole, Gerard Latortue, the new Haitian foreign minister, assured us that the dossier on the Haitian sugarcane workers will not be neglected and the new government will not allow compatriots to be mistreated either in Haiti or on foreign soil.

Mr Latortue stressed, in his interview with us, that it was the government's responsibility to defend Haitians and to ensure their protection and security both inside Haiti and abroad, and that (?the government) would be very responsive in this connection. He said that in a few weeks, after studying the dossier and consulting with Prime Minister Celestin on this matter, he will announce the Haitian Government's position on the very delicate and important problem of respect for the rights of Haitian workers in the Dominican Republic.

[Begin Latortue recording] You know, the problem of the working conditions of Haitian laborers in the Dominican Republic is not a problem my ministry has exclusive jurisdiction over. It also concerns the Labor Ministry. Therefore, I think I should consult with my colleague in that ministry on the problem. We should study it together. As a government, I am certain we can't allow our compatriots to be mistreated, not in any country in the world. It is our responsibility to defend and ensure the security and protection of Haitians, both within Haiti's borders and in foreign countries. [end recording]

Furthermore, new Foreign Minister Gerard Latortue hopes to develop relations not only with industrialized countries but also with countries considered to be the least developed in the Third World, making sure that plans for cooperation are in keeping with Haiti's needs.

Still, in connection with Haitian laborers, our correspondent (Guzman Bissainthe) says that Dominican Catholic Church leaders have, for their part, denounced and severely criticized the working conditions and mistreatment of Haitian workers in the Dominican Republic. Also, according to the latest edition of the periodical LA VOIX D'HAITI, a delegation from the International Labor Organization, OIT, has investigated the conditions imposed on Haitian workers in the Dominican Republic. The OIT delegation met with a leader of the Confederation of Dominican Workers who said the recruitment of Haitians is looked upon as a slave trade.

The National Sugar Council hires from 15,000 to 20,000 Haitians annually for the operation of 12 sugar mills. Many of these Haitians are recruited clandestinely, in four other mills. In order to recruit, brokers are used near the border, and Dominican border guards assemble the laborers in order to transport them to the work sites. Roundups are organized all over Haiti in order to forcibly recruit agricultural workers, said the OIT. Favorite recruiting areas are the rural sections of Marigot, Jacmel, Cayes Jacmel, and Bainet.

Furthermore, the OIT investigators highlighted the laborers' poor living conditions. Haitian workers are paid 2.35 pesos per ton of cane cut and loaded. Of this amount, 50 centavos are withheld and used as a reserve or savings fund. This reserve fund is not returned to the worker, says the OIT, and this is a flagrant violation of law No 29-20 of the Dominican Labor Code, which says a worker must be paid his entire salary in legal tender. Also, OIT agreement No 87, regarding union freedom and the right to belong to a union, is constantly violated.

At the end of the meeting with the OIT members, the Confederation of Dominican Workers denounced the labor code violation that requires Haitians to work 44 hours per week, versus the 35 prescribed by law. Haitians are beaten and forced to increase the number of hours they work, concluded the OIT investigation on the Haitian laborers in the Dominican Republic, which was quoted in the latest edition of LA VOIX D'HAITI.

Recruitment Report Denied

FL192228 Port-au-Prince Radio Nationale in French 1700 GMT 19 Feb 88

[Text] Roger Savain, Haitian minister of information, mass education, and tourism, yesterday morning formally denied press reports from the Dominican Republic to the effect that recruitment centers for cane-cutters have been opened in Haiti with a view to ensuring the Dominican sugar harvest.

The minister said that at no time has any offer been made by the new Haitian Government to the Dominican Republic concerning the hiring of cane-cutters.

For the past few weeks, the Haitian media—particularly radio stations—have been denouncing a campaign of forcible recruiting of Haitians by members of the Dominican Armed Forces in the Dominican Republic. According to these reports, the Dominican military also operate along the border between the two countries, where Haitians are arrested and sent off to ensure the sugar harvest in the neighboring country's mills and plantations.

The new Haitian Government recently expressed to its Dominican counterpart its concern over reports that Haitians residing illegally in the Dominican Republic are being forced by Dominican authorities to go cut cane.

Veterans Take Legal Action on Arrest of Members

FL191557 Port-au-Prince Radio Metropole in French 1700 GMT 18 Feb 88

[Text] The Veteran Haitian Servicemen's Association, AVMH, was to initiate legal action today to obtain reparation for damages and losses that occurred when three of its members were arrested last week.

Mr Cantave, the AVMH's secretary general, during a news conference held at the headquarters of the National Concerted Action Front, evaluated losses at his residence at some $6,835 without counting the cassettes, records, and telephones which he claims the military carted away.

Also, the AVMH's Executive Committee told the press that the AVMH is not a paramilitary organization that is against the Haitian Army.

According to its leaders, the organization has 1,500 members nationwide who have engaged in diverse social activities, such as cooperatives and communal shops to aid its members, most of whom are unemployed.

Trinidad and Tobago

Trade Unions Claim Government Ignoring Them

FL201822 Bridgetown CANA in English 1908 GMT 18 Feb 88

[Text] Port-of-Spain, Trinidad, Feb 18, CANA—Two of Trinidad and Tobago's most powerful labour groups have threatened to withdraw from consultative bodies created by government, complaining that their voices are not being heard.

The Trinidad and Tobago Labour Congress (TTLC) and the Council of Progressive Trade Unions (CPTU) singled out plans for the sale of aircraft belonging to state-owned airline, BWIA [British West Indies Airline], and the establishment of free trace zones in parts of the country, for special criticisms. They also denounced plans for the privatisation of state companies—expected to be a major subject of discussion at Thursday's cabinet meeting.

Your government does not appreciate the past struggles waged by the labour movement for common ownership and socialisation of national wealth, the two groups said in a joint statement.

The two are the main trade union umbrella groupings here, and sit on a number of consultative bodies, to represent the interests of the labour movement. But they complained that they seem to have little impact on government policy.

We are...seriously considering withdrawing from participating in tripartite agencies and bodies in order to clearly signal to the population that we are not part of the measures being implemented by your government, especially since most of our proposals are ignored, the statement said. The unions sent their statement to Industry Ministry Senator Ken Gordon.

On the specific proposals for the establishment of a free trade zone, the unions said the experience of other developing countries, such as Jamaica, had not been one of meaningful development. The jobs created are very low paying jobs, are best described as under-employment. There is no appreciable transfer of technology, the foreign exchange earned does not compensate for the low wages, import free and tax free concessions granted to these companies, the statement said. The union organisations further complained that such areas created a state within a state ignoring labour legislation, industrial relations practices, and permitting entry of illegal drugs, weapons, and contraband.

The social and psychological impact of the E.P. (export processing) zones on the society is very negative. The majority of these workers are very young women who suffer various types of exploitation at these zones, and in turn develop negative subcultures that infect the wider society, the unions added.

Foreign investment must not have the right to exploit our people, disrespect our laws and contaminate our spiritual and cultural values. Foreign investment must not have the exclusive rights to certain parts of our country at the expense of discrimination and exploitation of our people, the union groupings said.

Government Against UK's Falkland Maneuvers

FL201716 Mexico City NOTIMEX in Spanish 2140 GMT 19 Feb 88

[Text] Mexico City, 19 Feb (NOTIMEX)—A communique issued by the Mexican Embassy in Argentina today states that the Mexican Government is against Great Britain's decision to begin military maneuvers on the Malvinas Islands.

It adds that Mexico has proposed a peaceful solution through negotiations and rejects the British stance on the maneuvers, which are scheduled for 7-31 March. The communique also says that Mexican Government representatives have constantly called for a peaceful solution by means of bilateral negotiations to resolve the conflict over the Malvinas.

Salvadoran Charges on Aid to Guerrillas Refuted

FL201758 Mexico City NOTIMEX in Spanish 0247 GMT 19 Feb 88

[Text] Mexico City, 18 Feb (NOTIMEX)—The Mexican Government, through the Secretariat of Foreign Relations (SRE), has rejected Salvadoran Government charges that Mexico encourages and protects Salvadoran guerrillas. The SRE today made public the text of the message sent to Salvadoran Foreign Minister Ricardo Acevedo Peralta. The message is signed by Foreign Secretary Bernardo Sepulveda Amor.

Sepulveda states that in no case has the Mexican Government allowed FMLN-FDR groups to use Mexican territory to carry out activities that might lead to or abet movements against the stability of the government and democratic institutions of El Salvador.

If Your Excellency dares make assertions that so distort the facts, I find myself obliged to remind you that Mexican authorities do not give any kind of assistance to the groups mentioned or any others and you should thus rectify the mistaken perceptions inherent in your claims.

Mexican laws, Sepulveda explains, establish a system of protection for those who are persecuted politically and enter Mexican territory. They provide for a code of conduct not only in relation to Mexico but also to the country of origin of these persons. The Constitution guarantees freedom of association, transit, and expression to everyone on Mexican soil, he indicates.

The simple fact that the Mexican Government might have allowed and still allow the entry of individuals who belong to the opposition in their own countries does not constitute assistance or support and is no grounds for any charge. I must bring to the attention of Your Excellency that Mexico enjoys deserved and recognized prestige for its strict observance of the principle of nonintervention. It does not accept or permit its territory to be used for activities that might destabilize the governments of other countries.

Sepulveda continues: The abovementioned does not preclude Mexico from scrupulously observing the dispositions of Articles 7 and 8 of the Caracas convention on territorial asylum in regard to the persons the cited norms of international law apply to, whether or not they have been recognized as political refugees. He adds: It worries me that Your Excellency persists in accusing Mexico when you have no basis for your charges yet have ample reasons to acknowledge my country's contributions to the negotiation efforts in Central America, an acknowledgement that you yourself, on President Duarte's instructions, conveyed to us on 8 October 1987.

Your Excellency again recognizes Mexico's role in favor of negotiation when you point out: El Salvador does not fail to acknowledge the cooperation that the illustrious Mexican Government has tendered during the various rounds of talks between my government and the FMLN-FDR groups. The recognition of this cooperation, Sepulveda concludes, which has a positive effect on the full implementation of the commitments assumed by the Central American presidents at the Esquipulas II meeting, in my view constitutes clear refutation of the charges made.

Visiting Soviet Union Leader on Perestroyka

FL181907 Mexico City NOTIMEX in Spanish 0412 GMT 18 Feb 88

[Text] Mexico City, 17 Feb (NOTIMEX)—Anatoliy Aleks Juntondrovich [name as received], leader of the Central Congress of Soviet Trade Unions [Congreso Central de Sindicatos Sovieticos], stated today that thanks to the policy known as perestroyka, the Soviet trade unions enjoy more rights and have increased participation in policymaking. Interviewed at the Mexico City airport on arrival, the Soviet labor leader explained that he had been invited to Mexico to take part in a series of conferences at the Mexican Workers University in which he will explain the new Soviet policy of perestroyka.

He asserted that perestroyka plays a key role among workers to make them aware of the democratization process underway throughout society. He also said that Soviet trade unions are approaching various trade union movements in order to analyze differences and similarities, inasmuch as trade unionism is a pressure tool in all countries.

Government Accused of Planning Election 'Fraud'

PA200427 Hamburg DPA in Spanish 2026 GMT 15 Feb 88

[Text] Mexico City, 15 Feb (DPA)—Cuauhtemoc Cardenas, dissident member of Mexico's ruling party and presidential candidate of a center-leftist coalition, today accused the government of planning a "fraud" in favor of Carlos Salinas de Gortari in the 6 July 1988 elections.

According to former President Lazaro Cardenas' son, whom some surveys name as Salinas de Gortari's principal rival, government and PRI officials are pressuring heads of families and collecting voter credentials to ensure votes for its candidate. "The government is obliged to provide guarantees and prevent fraud and the acts of violence that could occur if the popular vote is not respected," Cardenas said during a news conference with foreign journalists.

The former governor of Michoacan State, the most important defector from the government party in the last 30 years, has been nominated by several parties that up to now had supported the government's candidates. He also has the support of the PRI's democratic splinter faction. "Voter preferences have already been shaped and in no way favor the government candidate," said Cardenas, who has just completed a successful campaign in the lake region of the northern states of Durango and Coahuila, where his father started land distribution 36 years ago.

In that region, in an unprecedented test of the popularity of both candidates, thousands of peasants jeered Salinas de Gortari and the next day acclaimed the son of the man who expropriated the oil industry.

Cardenas said the demonstrations in the lake region are an expression of the "rejection" by large sectors of the population of the government's austerity policy and its candidate.

Regarding the alleged preparations for fraud, he said his coalition, the Democratic Front, is taking measures to prevent any illegalities: first, by designating representatives at the 60,000 voting booths; and second, by monitoring the election activities and the transfer of the ballot boxes.

PRI Candidate Deplores Opposition Tactics

FL201705 Mexico City NOTIMEX in Spanish 0421 GMT 20 Feb 88

[Excerpts] Teziutlan, Mexico, 19 Feb (NOTIMEX)—Guillermo Fonseca Alvarez, national leader of the CNOP [National Confederation of Popular Organizations], has criticized the opposition because it wants to come to power not through legal elections but through the false door of scandal. Fonseca Alvarez was speaking in the presence of PRI presidential candidate Carlos Salinas de Gortari during a ceremony to express the popular sector's adherence and support for the latter. The event coincided with the CNOP's 45th anniversary. [passage omitted]

Salinas de Gortari in turn deplored the fact that the opposition is concentrating its energies in this electoral campaign not on publicizing its plans but on appealing to the public to break the law, the basis and sustenance of plurality. He noted that the minorities in Mexico are adverse to overcoming their traditional nature, using votes more to criticize the PRI than to support a political alternative.

He pointed out that savage and desperate tactics and actions against the law will collide with the PRI's majority strength and be destroyed. The PRI, he said, interprets the will of the people and demands a political struggle founded on reason, law, and open debate.

He then referred to unity and said it was more necessary than ever before because the threat did not come from outside but rather lurked within our borders. He emphasized that the CNOP's unity acquires a lofty and deep dimension. It is not a routine, unconditional, conforming, and complacent unity; instead, it is solidary, creative, and militant, Salinas de Gortari declared.

Briefs

Drug Traffickers Captured

Mexico City, 1 Feb (NOTIMEX)—Federal Judicial Police and Army agents have captured 22 members of an international gang of drug traffickers in Caborca and Nogales, Sonora, and in Guadalajara, Jalisco. The agents seized 11 tons of marijuana, 2 tons of cocaine, and 100 AK-407 submachineguns. The Attorney General's Office also announced that the Army discovered the gang's warehouses in Agua Prieta, Sonora, where it arrested the following men guarding the premises: Jose Luis Guzman Corrales, Anacleto and Hermilo Cardenas Araujo, and Fernando Gumaro Araujo Gutierrez. [Summary] *[Mexico City NOTIMEX in Spanish 2347 GMT 1 Feb 88 FL]*

El Salvador

Zamora Discusses Duarte Decision on Talks

PA191549 San Salvador Canal Doce Television in Spanish 0300 GMT 12 Feb 88

[Report by Regina Canas on remarks by FDR leader Ruben Zamora on 11 February; place not given; passages within quotation marks recorded]

[Text] [Zamora] "The Duarte government has very clearly taken a step backward in the quest for peace."

Dr Ruben Zamora said he disagrees with President Duarte's decision not to negotiate with the FMLN-FDR alliance. Zamora said he considers it a mistake and a contradiction on the part of the president, who now seeks dialogue with an unarmed group after having negotiated in October 1987 with the armed FMLN.

[Zamora] "Why is this now no longer valid? This shows there is a very obvious contradiction in Duarte's position, which I think is due to the fact that the Duarte government's political space has been greatly reduced because of the crisis and government deterioration."

Although Zamora said he respects the president's decision to refrain from dialogue on 22 February—the date specified by the alliance—he demanded that our country's government show its willingness by setting a new date for talks.

[Zamora] "The problem with this government is that when it is given dates to resume talks, it says this is not the right moment; it never says when the right moment will be. If they do not wish to hold a dialogue before 20 March, they should clearly state when after 20 March they are willing to talk. In this way, we can see some willingness to sit at the table. Otherwise, it seems more like an evasive reply."

Zamora said there are two Central American forces that have currently suspended dialogue that do not wish to resume talks: the Nicaraguan contras and the Salvadoran Government. He concluded that this parallel may stem from the fact that both depend on the same power: the U.S. Government.

FMLN's Mena Sandoval Denies Report of Death

PA191933 [Editorial Report] (Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 19 February airs a live or recorded 25-minute interview with FMLN Commander Manolo, Captain Francisco Emilio Mena Sandoval.

The station introduces the interview indicating that "in the last few hours, U.S. Ambassador Corr referred to the alleged death of 40 guerrillas during an incursion by Army commandos in northern Morazan, something Corr described as a great Armed Forces victory. According to the high command, those guerrilla casualties included Commander Manolo, referring to Comrade Capt Francisco Emilio Mena Sandoval."

Mena Sandoval speaks at length on the objectives of the FMLN attack on the 6th Brigade headquarters in Usulutan, and on other actions that are part of FMLN's current military campaign.

Asked why "the high command in recent weeks has launched a propaganda campaign to report the alleged death of Commander Cienfuegos, has claimed 40 dead in Morazan, the U.S. ambassador has said those casualties are one of the greatest Armed Forces victories, and has also discussed your death," Mena Sandoval replies that "within this context of lies, it is important that one sees the truth, because we are here, alive, serving our people. Comrades Leonel Gonzalez and Ferman Cienfuegos are also alive. A few days ago, there was talk that they had been killed in fighting. The high command also invented 40 deaths in Morazan. The objective of all this is to increase the morale of their troops, something that will not be successful because many soldiers who were in the fighting near [words indistinct] can refute the lies."

New Clandestine Group Issues Communique

PA191320 San Salvador EL MUNDO in Spanish 11 Feb 88 p 4

[Text] A new clandestine organization calling itself the Unified Revolutionary Brigade [Brigada Revolucionaria Unificada, BRU] circulated a communique yesterday afternoon that threatens the lives of all politicians directly or indirectly using the Salvadoran tragedy as a propaganda tool "to keep alive the bourgeoisie they fear to lose." The threat was directed at the ARENA [Nationalist Republican Alliance] and the PDC [Christian Democratic Party], which the BRU describes as "traitors to the Salvadoran revolution." The communique says the BRU considers "our main enemies to be ARENA's leaders and collaborators. ARENA's leaders, faced with the incompetence and corruption of the PDC government, present ARENA as an alternative by using a propaganda campaign to manipulate the pain and hunger of the Salvadoran people. This mental manipulation is typical of capitalist societies that are intoxicated with greed for riches and seek to subdue the Salvadoran people once again." Finally, the communique reports that the BRU will "always be vigilant and will expand during the war." The communique contains a logo showing a man with a rifle.

Clash in Chalatenango Leaves 19 Casualties

PA191940 San Salvador Canal Doce Television in Spanish 0300 GMT 19 Feb 88

[Text] FMLN units attacked Chalatenango Army positions this morning, causing 19 casualties on both sides.

Military sources say three soldiers and nine guerrillas were killed when FMLN units attacked La Laguna, north of Chalatenango. The attack also left seven members of the paratroopers battalion wounded.

Three civilian homes near the La Laguna military post were destroyed in the guerrilla incursion.

Army soldiers reportedly began combing the area after the attack and confiscated several LAW rocket launchers and a large number of weapons.

Rebel Transportation Halt 'Total' in Capital

PA221325 San Salvador Radio Cadena YSKL in Spanish 1228 GMT 22 Feb 88

[Report by Carlos Alberto Osorio]

[Text] The transportation stoppage is total in this capital. Neither buses nor minibuses are circulating in the streets of San Salvador or nearby Santa Tecla. No transportation is found anywhere. The only thing one sees is long lines of workers who have been walking to the center or the outskirts of the city since early this morning.

The transportation stoppage is definitely total. No buses of the urban routes or nearby towns are circulating. There is no activity at the western bus terminal. We imagine the same thing is true at the eastern bus terminal.

We can confirm that the paralyzation of urban bus transportation in this capital is total. In previous strikes, small buses circulated, but this time taxis are the only means of transportation.

On this 1st day of the transportation stoppage of urban, interurban, and interdepartmental buses, everything seems to indicate that it is total. At this time, it is unknown if the authorities are implementing an emergency plan, because there are no security units on the streets. We repeat: There is a total paralyzation of bus and small bus transportation in the capital today.

Honduras

Azcona Denies Drug Charges Against Army

PA191830 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 17 Feb 88

[News conference with President Jose Azcona by unidentified reporters on 16 February; place not given—recorded; broadcast in progress]

[Text] [Azcona]...It was General Humberto Regalado Hernandez, chief of the Honduran Armed Forces, who requested DEA officials come to Honduras, and they came. Unprecedented measures, such as the extradition of alleged drug traffickers, have been taken. These actions make the Armed Forces and the government look good, despite criticism from Gonzalez, the Cuban who was extradited and whose naturalization was invalidated; and Lucho Guerrero, who was also extradited.

These actions totally contradict the information published in U.S. newspapers.

[Reporter] But Mr President, it has been reported that that information came from the State Department.

[Azcona] That is why I asked the U.S. ambassador to explain this. It was already explained on Saturday, but he will give another explanation. We know it is very easy to make charges against someone.

[Reporter] Do you have any official information from the U.S. Government regarding the Armed Forces' commander's alleged involvement in drug trafficking?

[Azcona] There is none. Quite the contrary, the U.S. Embassy explained the situation on Saturday.

[Reporter] Will the U.S. Government be asked to provide proof of these charges?

[Azcona] The Executive Branch will demand them from the U.S. Government through the embassy, which represents the U.S. Government here. But, as I said, the U.S. Embassy has already clarified this; therefore, there is no reason...

[Reporter, interrupting] What is the purpose of this campaign? Do you have any idea what their intention is?

[Azcona] This campaign has completely unsettled me, because I do not know who started it. Clearly, the intention is to discredit the Armed Forces leadership. I believe this campaign is a very crass campaign, because no one is specifically mentioned. It is said that one official said this or that, but no one is specifically mentioned or accused or nothing. However, we cannot make any demands, because the State Department officials are unidentified. The State Department has thousands of officials.

[Reporter] Is this situation a result of Regalado Hernandez' opposition to some U.S. Government demand?

[Azcona] No, I do not believe so. As I said before, this news has disturbed me, and it has disturbed the U.S. representative in Honduras. He explained this already. I spoke to him yesterday, and the DEA's role in Honduras and the very strong actions that have been taken help to disprove the statements. When strong action is taken against drug trafficking, reaction can come from where you least expect it.

Lopez Contreras Note on Charges

PA191912 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 19 Feb 88

["Note" presented to U.S. Ambassador Everett Briggs by Foreign Minister Carlos Lopez Contreras on 16 February]

[Text] Mr Ambassador:

I have the honor of addressing Your Excellency to refer you to the 12 February NEW YORK TIMES front-page editorial by Mr James LeMoyne: Honduran Military Officers Linked to Drug Trafficking.

Despite the seriousness of the charges, what most displeases and concerns my government is that they were attributed to a high-ranking official of the Reagan administration. It is even stated that according to two U.S. officials, the U.S. Embassy has been opposed to having U.S. drug authorities undertake in-depth investigations of the Army.

This article has been followed by others, including one in the 14 February MIAMI HERALD in which a well-informed official of the U.S. State Department, through the reporter, makes veiled charges against General Humberto Regalado Hernandez, commander in chief of the Honduran Armed Forces.

This is not the appropriate moment to analyze the veracity or falsehood of charges formulated by anonymous but identifiable sources. As representative of a government that Honduras considers a friend and ally, I respectfully request two things from you:

1. Please provide the names of the officials of the State Department or of your embassy who have given the aforementioned information. I understand that in these cases, a government cannot allege to be protecting the secrecy of sources, an argument behind which journalists often take cover.

2. Please provide the names of the Honduran Armed Forces' members supposedly involved in drug trafficking, specifically mentioning the actions they are charged with carrying out.

If you do not consent to what is requested, my government hopes the U.S. Government, which is said to be the source of the slanderous information, will provide the reparations the case merits.

I take this opportunity to reiterate to your excellency my highest esteem.

[Signed] Honduran Foreign Minister Carlos Lopez Contreras

Regalado Denies Charges

PA192303 Tegucigalpa Voz de Honduras Network in Spanish 1130 GMT 15 Feb 88

[Text] General Humberto Regalado Hernandez, commander in chief of the Armed Forces, has denied receiving from the DEA a list of names of the five colonels allegedly involved in drug trafficking, as charged by THE NEW YORK TIMES. This is a last minute report from this station.

The Armed Forces superior council could meet today to review a series of international newspaper articles published since last week accusing top Honduran Army officers of involvement in illegal activities.

Just as we said a few minutes ago, official sources have confirmed that the high military command is concerned about these charges, which, shielded by anonymous reports, seek to discredit the Honduran Army.

From Washington this morning, Jacobo Goldstein [not furthered identified] disclosed another NEW YORK TIMES article, which discusses two types of war: drug trafficking and the one waged against the Sandinist regime.

Regarding the drug trafficking issue, the journalist who wrote the article said that in October of last year the DEA gave Gen Humberto Regalado Hernandez the names of five colonels involved in drug trafficking. However, the journalist did not name those five colonels.

This station, interested in learning about Regalado's point of view, interviewed him briefly a few minutes ago, at which time he emphatically denied receiving the names of the colonels. We repeat. [announcer repeats preceding paragraph]

Gen Humberto Regalado authorized this station to inform the Honduran people that he denies the reports published in THE NEW YORK TIMES, adding that, instead of numbers, they should reveal names and provide proof so that we can take action. Regalado Hernandez himself said that it is possible that this morning the Armed Forces superior council could meet to review this situation and to request the necessary proof and the names of those officials who may be linked to drug trafficking and other illegal activities. The high military command told this station's reporters that those persons who have proof and names should come forward.

The high military command will decide today whether to send a protest note to the U.S. newspaper for that series of reports that damage the image of the Armed Forces. The military command will request the names of those officials and proof of their complicity in illegal activities.

It is possible that later today the Armed Forces Public Relations Office will issue an official communique on the high command's position. We will be ready to report on this.

Nicaragua

RN-FSLN Talks Break Off; No New Date Set

PA192135 Paris AFP in Spanish 2103 GMT 19 Feb 88

[Text] Guatemala City, 19 Feb (AFP)—Cardinal Miguel Obando y Bravo reported this afternoon that cease-fire negotiations between the Sandinist government and Nicaraguan Resistance [RN] representatives have been suspended.

The Nicaraguan cardinal stated as he was leaving the meeting at the Guatemala City archbishopric that "neither party could agree."

Obando y Bravo also stated that no new date has been set to renew the dialogue. This meeting, the second round of direct talks, began this Thursday in Guatemala City and was scheduled to end tomorrow, Saturday.

Obando on 'Distrust'

PA192305 Panama City ACAN in Spanish 2146 GMT 19 Feb 88

[Text] Guatemala City, 19 Feb (ACAN-EFE)—Mutual distrust and a failure to agree on basic terms for an agreement between the Managua government and the RN today caused the breakup of the negotiations that began here yesterday.

The mediator, Cardinal Miguel Obando y Bravo, after announcing the break, said that following the first and only meeting held yesterday, "it was no longer possible for the delegations to return to the negotiating table together."

Because of this, Obando y Bravo held separate meetings all day today. However, in the end, the only agreement reached was to suspend the talks "without establishing a date (for new negotiations), because the two sides must consult [with their superiors]," he explained.

Yesterday, after the first round, Obando y Bravo stated that the first obstacle had been the definition of "what is understood as a cease-fire."

"For the RN, a cease-fire means democratization and a reconciliation of the Nicaraguan family. It is seen not as an end but as a means. However, for the government, a cease-fire means an end to hostilities, and it is seen as part of an entire process, Cardinal Obando y Bravo said yesterday. [no end quotation mark as received]

Obando y Bravo explained last night that "as stated in Costa Rica," the mediator made a proposal that included the word "enclaves," zones that the RN must enter for a temporary truce while the government fulfills its obligations.

"They could not agree on this term either, and the meeting was suspended so that tomorrow we can discuss the entire proposal," Cardinal Obando y Bravo noted yesterday. However, today he stated that "a consensus definitely was not achieved."

Obando y Bravo added that in addition to this lack of agreement, "neither of the two sides trusts the other," and because of this, "this mediator sees no reason, for the time being, to continue this round of talks."

Further on 'Fruitless' Talks

PA200107 Managua Radio Catolica in Spanish 2354 GMT 19 Feb 88

[Excerpts] Dear listeners, we have received a report from Guatemala City that was relayed to Radio Catolica by sources within the Guatemalan archbishopric. It says that the church mediatory delegation led by Cardinal Miguel Obando y Bravo has ended the meeting between the Sandinist government and the RN after determining that the talks had entered a phase of fruitless discussions. The mediatory delegation had proposed the following:

1. That the Sandinist government grant full amnesty to political prisoners.

2. Freedom of speech without restraints.

3. Opening an internal dialogue with the opposition political parties.

4. Revision of the law on mandatory military service.

For its part, the RN would pledge to limit itself to specific and designated areas and to declare and agree to a cease-fire for 1 month. [passage omitted]

The RN was the first to agree to the proposal of the mediator. However, while the Sandinist government delegation conceded that the proposal was constructive, it said it had to consult with the government in Managua. [passage omitted]

When the meeting became fruitless during one of its rounds—that is, today—the mediatory delegation decided to suspend the meeting and to withdraw. It then explained its reasons and stated that its proposal stands.

However, after the meeting had been declared closed, a response from the Sandinist government arrived. It said that the Managua government accepted the mediator's proposal in principle. We repeat: The Managua government accepted the mediator's proposal in principle, and, moreover, proposed that the RN appoint or send an

observer to the internal political dialogue with the opposition. The government agreed to, or proposed, that the RN could appoint or send an observer to the internal political dialogue with the opposition.

The same report from the Guatemalan archbishopric indicates that the mediatory delegation deplored the delay in the arrival of the response from the Sandinist government, and that it has asked the two delegations to arrive at the next summit or meeting with greater decisionmaking powers, to be able to reach concrete and positive agreements for the well-being of Nicaraguans.

Therefore, dear listeners, since the government and RN delegations reached a fruitless phase at the meeting, the mediatory delegation suspended the talks and urged them to arrive at the next meeting with greater decisionmaking powers.

Tinoco Blames U.S. Government

PA200206 Paris AFP in Spanish 0021 GMT 20 Feb 88

[Text] Guatemala City, 19 Feb (AFP)—Nicaraguan Deputy Foreign Minister Victor Hugo Tinoco has accused "sectors of the U.S. Administration" of having obstructed the cease-fire negotiations. The talks were abruptly broken off today in Guatemala.

Tinoco told the media that the "main problem" blocking the dialogue process "is that some sectors of the U.S. Administration continue to support a militaristic policy in Central America." He accused the contras of having "systematically refused" to discuss "specific points of a cease-fire." Tinoco noted that the Sandinist government has accepted "in principle" the proposal of Cardinal Miguel Obando y Bravo for a 30-day truce and the promotion of greater democratization in Nicaragua. He said, however, that it is necessary to define some aspects concerning the cease-fire.

The deputy foreign minister stated that Cardinal Obando y Bravo announced the suspension of the meeting even though the government delegation had verbally informed him that it "accepted in principle" the proposal.

Tinoco noted that the Sandinist government, in "demonstrating its flexibility," has also agreed that "counterrevolutionaries" can return to Nicaragua "to participate in the national dialogue" once a cease-fire agreement is signed.

Tinoco Releases Position Paper

PA201600 Buenos Aires REUTER in Spanish 1020 GMT 20 Feb 88

[Text] Guatemala City, 20 Feb (REUTER)—Victor Hugo Tinoco, the Nicaraguan negotiator, has released a document to the press in which the Nicaraguan Government accepts several of the concessions requested by Cardinal Miguel Obando y Bravo.

The document, entitled "The Position of the Nicaraguan Government," was officially delivered to the cardinal shortly after he announced the suspension of the cease-fire negotiations between the Sandinist government and the contra rebels supported by the United States.

The Nicaraguan Government announced it would grant an amnesty "at the very same moment the cease-fire took effect." In this manner, the government answered Obando's request for a "total amnesty for political prisoners."

However, according to a decree already issued by the government, the released prisoners will have to travel to other countries outside Central America, and will be able to return to Nicaragua only after the war is over.

Sandinist spokemen explained they fear that if the former prisoners stay in Nicaragua, they will join the contra ranks in the mountains.

Approximately 3,500 prisoners reportedly will be released, some 1,800 contras and 7,700 Somozist Guards prisoners since the ouster of former dictator Anastasio Somoza in 1979. [sentence, figures as received]

The Sandinist government document said it fully accepted the request to "grant unlimited freedom of the press." Managua also accepted the request to resume the suspended dialogue with the opposition.

However, the opposition does not want to resume a dialogue until the Sandinist government agrees to amend 17 articles of the Nicaraguan political Constitution.

As for the revision of compulsory military service—which is the final point requested by the mediator—the government stated: "the current war situation demands massive contributions to be able to confront foreign aggression."

However, it adds that "once the cease-fire is agreed upon and the war ends, that law will demand much smaller contributions."

The Nicaraguan document adds a fifth point, and that is the Sandinist government offer that once the cease-fire agreements have been signed, the Nicaraguan Government will agree that contra representatives attend—as observers, and "with safe-conducts and all guarantees"—the political dialogue between the government and the opposition.

Tinoco told the press that once the cease-fire talks are resumed today, all of these points will be incorporated into the negotiations.

The Nicaraguan negotiator blamed the contras for the failure of the round of negotiations here and said that they are under the influence of the Americans, who tell them that if a cease-fire is agreed upon in Nicaragua, they would definitely lose their hopes for a resumption of U.S. military aid.

Jaime Morales, the negotiator for the rebels, blamed the Sandinists and said the reason why Cardinal Obando y Bravo suspended the negotiations was that the Sandinists did not accept the proposal he presented on Thursday.

The communique of Cardinal Obando y Bravo stated that he suspended the round of negotiations because "there was no consensus on the proposal presented by the mediator."

The communique adds: "the mediator has been able to determine that the Nicaraguan Government does not trust the RN because it believes the RN does not desire a cease-fire. For its sake, the RN does not trust the Nicaraguan Government because it believes the government does not really want to democratize Nicaragua."

No date has been set for resuming the talks, but the Nicaraguan delegation said it was willing to resume them next week.

The contras have yet not mentioned any new dates.

Meanwhile, the battles continue in Nicaragua, and—according to Cardinal Obando y Bravo—at least 60 youths die every day there is no cease-fire.

RN on FLSN 'Inflexibility'

PA200151 Paris AFP in Spanish 0025 GMT 20 Feb 88

[Text] Guatemala City, 19 Feb (AFP)—Jaime Morales, leader of the RN, today "deeply" deplored the suspension in Guatemala of the talks with the Sandinist government. He attributed the talks' suspension to the "inflexibility" of the government delegation.

Morales told the press that the RN negotiating delegation, which he headed, had "unconditionally accepted" the proposal made by Cardinal Miguel Obando y Bravo, mediator in the talks for a cease-fire in Nicaragua.

Morales said that the U.S. congressional vote, which on 3 February rejected a request for renewed military aid to the contras, "helped to radicalize" the Sandinist position.

The vote by Congress "became an important obstacle to the Central American peace process," stated the rebel leader.

In the opinion of Morales, the suspension of the talks for a "cease-fire" was based on the "reference by the Sandinists to an unconditional surrender" by the rebel forces.

Morales said that the proposal of the Nicaraguan Government, to the effect that U.S. specialist Robert Fischer should draft a plan concerning the military aspects of a cease-fire, "tended to cast doubts on the credibility and even the ability of Cardinal Obando y Bravo."

RN Document on Obando Proposal

PA202132 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 20 Feb 88

[RN communique read by RN spokesman Sergio O'Connor; date, place not given]

[Text] The RN Directorate hereby reiterates its acceptance of the 30-day truce proposed by mediator Cardinal Miguel Obando y Bravo, a proposal that is accepted by the RN cease-fire delegation. The RN Directorate regrets that Daniel Ortega ordered his delegation not to negotiate the proposal with the rebels.

As mediator, Cardinal Obando y Bravo is authorized to make proposals, an authority that has been acknowledged by the two sides. The RN cease-fire delegation possesses the authority to make decisions, and within this framework it accepted the proposal of Cardinal Obando y Bravo without reservations. If the Sandinist cease-fire delegation does not have the authority to make decisions, and if it is necessary for Ortega to discuss the proposal with the cardinal, then the RN Directorate proposes that the negotiations between the two sides be held at the highest level of authority.

[Signed] Adolfo Calero, Alfredo Cesar, Pedro Joaquin Chamorro, Azucena Ferrey, and Aristides Sanchez

President Ortega on Currency Reform, Economy

PA202015 Managua Domestic Service in Spanish 1622 GMT 20 Feb 88

[Speech by President Daniel Ortega at the Olof Palme Convention Center in Managua to mark the conclusion of the "Heroes and Martyrs of Quilali Operation"—live]

[Text] Brothers, [words indistinct], comrades, Nicaraguan mothers of the comrades who participated in this Martyrs of Quilali Operation: We must emphasize and recognize the efforts made by the comrade ministers, the efforts of the comrades who led the organization of this operation. In carrying out this project, we wish to emphasize the participation of the workers from the National Financing System [Sistema Financiero Nacional] in all regions; and especially the participation of the comrade workers from the SFN [as heard], and the comrades from the Ministry of Interior, who spent nearly 3 weeks sequestered, locked inside a warehouse, working continuously and counting and arranging the bills and coins.

Wherever an operation such as this one is carried out, it must be done with the utmost secrecy. Success of the project lies in the secrecy. Therefore, what we have done

here is nothing new as far as the efforts to maintain the secrecy of the operation are concerned, even though this project began in 1985. It got underway when the boxes with the money, with the bills and coins, arrived from a brotherly and friendly country. The boxes were unloaded secretly, they were transferred secretly, and they were secretly stored for 3 years at various locations in Managua without our enemies finding out what we were doing with this large amount of money. To manipulate or move around a large amount of money is not an easy task. From the very start it involves a large number of persons.

In this case, it involved a large number of persons, comrades who knew from the very beginning to keep the secret. Workers from the Ministry of Industry and other state revolutionary institutions participated in the operation itself in Managua. All of them immediately answered the call of the revolution, most of them without knowing where they were going. They were just told they were going to be mobilized, and then speculation began as to what tasks they were going to carry out. They then learned about the plan, and began to work quickly for the people to be able to quickly exchange their currency.

We must also recognize the understanding of the patriotic sectors, and particularly of the merchants who operate legally. In all regions on Sunday, 14 February, there were assemblies with the merchants to inform them about the measure and how to act in the most correct manner, as demanded by the revolution.

The patriotic producers and the merchants who operate legally have been very understanding. Of course, there are always those who reject the measures. Those who reject the revolution are the first to reject the measures. They could never possibly agree with the regulations. The measures are rejected by the U.S. [word indistinct] because they do not support the revolution. The regulations are also rejected by the mercenaries, who are the instruments of the aggression. These laws directly affect them. The speculators—in other words, the illegal merchants—also reject the regulations. They reject them, because the measures affect them.

The rightist parties also reject the regulations. It is logical and natural that the rightist parties should reject the measures. The rightist parties have always held positions against the interests of the people, and they will not support measures that favor the people's interests.

The measures are rejected by some extreme leftist parties and groups. This is not strange either, because they have always brought up the rear, behind the rightist and oligarchic groups in our country.

The regulations are rejected by the CIA newspaper here in Nicaragua. [Words indistinct] the newspaper of the CIA, which is why it receives financing. The measures are additionally rejected by other communications media that also act as CIA mouthpieces. The statutes are also rejected by the COSEP [Higher Council of Private Enterprise] businessmen.

In other words, those who reject, criticize, and question the measures are the ones who now appear to be very wise in economic matters and who have held the Nicaraguan economy in their hands since the past century. Since 1821, they held Nicaragua's economy in their hands. [Words indistinct] the control of the economy that the private sector and private enterprise had, and the absolute freedom with which private enterprise functioned in this country.

What they bequeathed us was disaster. They did not bequeath us a developing economy. That was not what they bequeathed to the people, to the revolution when it triumphed on 19 July. What they bequeathed, what was seized from them, the little that was seized from them was a destroyed economy. They, the famous representatives of the Nicaraguan oligarchy, the grandfathers and great-grandfathers of the gentlemen from COSEP, of the oligarchic parties, of the Liberal and Conservative Parties, of the owners of the CIA newspaper, have had their opportunity since 1821.

All those people were the owners of the Nicaraguan economy. They were the owners of Nicaraguan wealth. For what purpose did they use the wealth in our country? They did not use it to distribute it to the workers, to share it with the people. They used it to become even bigger millionaries and to compete among themselves to see who was the biggest millionaire.

The idea was that the wealthier the person was, the more he exploited the workers, the peasants, and the laborers. Since 1821, Nicaragua had an opportunity to exercise democracy in Nicaragua. What type of democracy did they build in Nicaragua? They constructed a democracy of exploitation, an antidemocracy. They did not build a democracy, because the meaning of the word is very clear. Democracy is people's power, and then there was the power of the minority. It was that minority that used wealth as a measure with which to give the people or to deny them the right to vote. There was a time during the era of free enterprise of the oligarchy, the conservatives, and the liberals that in order for a person to be able to vote in elections, he had to have a certain amount of money; otherwise he did not possess the right to vote.

What they proposed was the margination of the peasants. They did not give peasants the right to speak, and there was no freedom of expression for peasants or workers. What they enjoyed was imprisonment and repression. They [the oligarchy] had a great opportunity, because there was a great opportunity to build a democracy in our country from 1821 until 1979. They had a great opportunity to build a democracy.

And now those who imposed the power of the minority to exploit the majorities—that is the antidemocracy—are opposed to the democracy that emerged on 19 July 1979. They are opposed to any effort made by the Nicaraguan workers, the Nicaraguan masses, and the revolutionary power, because they are aligned with the aggressor. They are in collusion with the U.S. policy that is intent on destroying the revolution.

In attempts to apply such a measure as this one, they have to be the first to reject this measure—indignant because they did not know of it. Of course, they would have liked to have known, to have been able to hurry to manipulate the old currency and to boycott the measure.

Because they did not find out—and neither did the CIA nor the enemies of the revolution—it was possible to withdraw that impressive sum of money from circulation, almost 20 percent of the monetary [words indistinct] out of circulation. Of that 20 percent, the counterrevolutionaries and the speculators—that is, the illegal merchants—had in their hands a total of 120,468,610,000 cordobas. In other words, they held a total of 11.4 percent of the cordobas in circulation, and they were unable to exchange that 11.4 percent.

The counterrevolutionaries and price-gougers had to keep their volumes of currency. However, the people decided to give a very hard blow to price-gouchers and to the counterrevolutionaries. The measure that we have adopted defends the interests of the revolution. It defends the interests of the workers in the private sector. It defends the interests of large, medium, and small producers in the agricultural and industrial sectors. It defends the interests of merchants, also. The organization of our economy during this war benefits the entire Nicaraguan society. The measure has indeed led to national agreement. There is unanimous support from sectors truly involved in production; that is, from workers and peasants as well as from private large, medium, and small producers and businessmen. We are obligated to reinforce this agreement. We are obligated to reinforce the march to defend the national economy. We must march as we did during demonstrations against the Somozist dictatorship. We workers, peasants, producers, soldiers, and all Nicaraguan workers must march hand-in-hand and united.

The first phase of these economic steps, which is so necessary, has concluded. We are now entering a second phase. The first phase consisted of organizing the changes. We had to organize policies on prices, wages, and, especially, on the prices of basic products so that they are in accordance with the changes. We had to organize distribution so that production and the distribution of products would be ready with the new prices when implementation of the changes began. We organized other accompanying measures, which were key measures. We organized the series of actions that the defense of the Nicaraguan economy requires.

This new phase requires greater production. We must increase production. We must control prices and wages. We must guarantee an orderly marketing of products. We must improve discipline on the job. We must ensure respect for wages and prices. We must improve our handling of resources. We must organize production better. We must improve services. Otherwise, the measure would quickly lose effectiveness.

This measure by itself is not a magic wand that automatically cures the Nicaraguan economy. This measure requires another series of steps involving the revolutionary state and all Nicaraguans. These steps involve all Nicaraguans, particularly producers and workers within the productive sector. This situation requires great energy and organization on the part of all Nicaraguans.

There is a question that we must ask and quickly answer. Will this measure make inflation disappear? This measure will not make inflation disappear. Inflation is not going to disappear with this measure. The only thing that can make inflation disappear in the nation is increased production. In our case, in increasing production, we must also honor our obligations to defend the revolution militarily and to achieve peace. We are obliged to take further steps to attain the goal of completely stopping inflation. Therefore, we are not inventing any measure to end inflation. That formula does not exist in any country, whether in Latin America or even the United States. The United States is experiencing an inflationary process. In other countries of the world that experience inflation, a formula to eliminate it does not exist—other than increasing production and organizing a more efficient distribution of wealth.

Then why did we adopt the measure if it is not going to end inflation? We adopted this measure because by withdrawing that huge volume of currency from circulation and working with a smaller volume, we are able to better organize the economy. This allows us to better organize (?care), the spending budget, and an investment policy. It allows us to do all of this. We are taking an important step. In addition to taking this step, there is a set of actions. In sum, we will continue (?living) with inflation. However, we now possess the opportunity to deal with inflation under better conditions. In this way, inflation will not drag us like a runaway horse. We know that...that...that...[Ortega repeats himself] horse is going to continue its pace, but we are going to control it; that is, we are going to put [word indistinct] (?to overcome) inflation.

The greater the effort, the lower inflation will be. The lesser our effort, and the greater the sabotage by right-wing groups, unauthorized merchants, and the CIA, the more our efforts could be jeopardized. We must defend prices. However, this does not mean they will be permanently frozen. The same applies to wages. We are obligated to defend wages, but this does not mean they will be permanently frozen. The important thing here is compliance with the government when it sets the prices of any product.

If it becomes necessary to make a price readjustment because the cost of a given product has gone up, and the price increases by 50 centavos or 1 cordoba, then the product must be sold at the new, readjusted price, not at whatever price the speculator feels like charging.

We cannot freeze production costs. Whether or not production costs are frozen does not depend on us. Our economy is based on imported raw materials, spare parts, machinery, and tires. We have input on the prices of these imports, so when these prices increase, they affect our production costs. However, we are not going to allow a producer to arbitrarily say: Well, the price of tires went up by 5 cordobas, so I am going to add 20 or 30 cordobas to my production costs. We cannot allow anything like that.

We are obliged to defend prices, just as we are obliged to defend salaries. To defend salaries means not to enter the wage-speculation market. Government officials, officials in state and private enterprises, and the workers themselves, because a worker may take advantage of the fact that [words indistinct] is being demanded from the institutions, and if he does not have strong principles, he will then play games with the institutions, to see who will pay him more, thereby disrupting the salary and wage scale. [sentence as heard] The blame should not fall on the worker.

At best, the worker is simply taking advantage of those responsible: the manager, or the minister, or the director of the state institution who sponsors and tolerates such policies. We must struggle avidly against these tendencies. We cannot continue to tolerate such errors. It is true that a producer may [words indistinct] to increase production. But at what cost? At the price of affecting the whole economy. He solves his problem, but in doing so, he is affecting the other areas of production, the other sectors of the economy.

We have a very important task to carry out before we do anything else. This task includes all the officials, ministers, and directors who head the principal state organizations and who have more strength to make demands [26-second break in reception]...the industrial, cattle, and agricultural sectors are going to present proposals. All of these criteria are being reviewed to reach a final decision, and that final decision must be respected. In some instances, it may be found that the new official price is different. However, the official price is the one that must be obeyed. These prices are a result of investigations conducted by the officials responsible for state organizations and by those who head enterprises.

However, all Nicaraguans, all workers, and all citizens have the responsibility of defending these policies in an active and aggressive manner. I have already noted that the way these policies are defended is by refusing to play the game of moving from one firm to another. If a worker is conscientious, he should not play that game even if [words indistinct] wages. Furthermore, he should report the official who is offering him that wage so we can take internal measures and deal with that official or company director.

Also, workers should support the institutional effort [words indistinct]. They should support it aggressively to confront speculators and to defend prices. There is a difference between a legitimate merchant—because we do have many legitimate merchants, including some in the oriental market—and those merchants that are illegal; these are the merchants that speculate. We also have to watch the legitimate merchants, because there are cases in which they have broken the price provisions. We should appeal to the legal merchant's conscience to respect prices, but he must be reported if he does not do so.

We must develop a nationwide effort to actively and aggressively resist speculation. We have been listening to reports on radio stations by comrades who complain that in a specific place, a certain product is being sold at a price much higher than that on the official price list, and that they had to buy it at this price. This is the first mistake. If a merchant sells at a price that exceeds the profit margin set by the government, this product should not be bought. If it is bought, you are becoming an accomplice of that merchant, you are protecting him, and you are supporting speculation. What will that merchant do if no one buys from him or if people refuse to buy from merchants who do not respect prices? That merchant will have to lower his prices.

Furthermore, if people report a merchant because he is not complying with the price lists—even if the merchant hollers his head off at the [word indistinct] radio station, or in the CIA newspaper [words indistinct]—he will simply end up in jail. This is what will happen if people decide to report him. [applause]

There is a law concerning the maintenance of public order and security that was decreed in 1979. It [words indistinct] the whole country to punish crimes. Here, in this country, it is a crime to speculate against the people. A merchant who gets rich by speculating with goods needed by the people is a criminal, because there are others who are heroically struggling to defend their interests.

Article 3 of the 1987 public order and security law will be rigorously applied. This article states that, among other crimes, those that propitiate the rise or fall of market prices, or hoard any type of merchandise, products, and speculative activities will receive a punishment of 3-4 years in prison. [applause] Let us see who will be luckier: the market speculators or the Nicaraguan factory workers, peasants, and workers.

This is a challenge; a challenge for all those interested in defending the national economy. The crisis is already disappearing [words indistinct]. We are in the middle of a war, and what we need is an economic policy to defend us during wartime. We are deciding on economic actions to defend our economy.

Legitimate merchants who respect price policies have nothing to fear. Legitimate merchants have the possibility of communicating with MICOIN [Ministry of Domestic Trade] employees and with government officials; they can meet and already have done so. The merchant that respects prices has nothing to fear; he will continue to operate with all the security afforded by the revolutionary state.

The ones that must worry and be afraid are the merchants that speculate. A merchant who decides to follow the counterrevolutionary policy of speculative transactions acts as a counterrevolutionary agent. There are several persons, patriots, who can take charge of [words indistinct] distribution. They will not do here what they carried out in other places, what they did in Chile: a commercial boycott. If they stage a boycott here, we will simply take away their grocery store or whatever they have, and it will be administered by the people. [applause] The same applies for bus and taxi operators. A fair amount of taxi drivers are counterrevolutionary agents; they are speculators. Either they respect rates or the Ministry of Transportation will take over their taxis and give them to Nicaraguans, to make them produce and provide service at the established prices.

In taking these steps, we have also taken into account business transactions conducted in dollars. In Nicaragua, there is a store authorized to carry out free commercial transactions in dollars. We also have other firms that sell in dollars; the diplomatic store is not the only one that operates in dollars. The diplomatic store is more than a store that sells to diplomats, because it also serves civilians [words indistinct] who go to the store to buy articles that are scarce in our country—companeros who have excelled in different revolutionary tasks; humble companeros who never before had thought of entering one of those stores except as an employee. This type of store was only for the Nicaraguan bourgeoisie. The store presently serves diplomats and [words indistinct] who handle dollars within the country—and that includes persons from the right-wing sector.

[Words indistinct] Nicaraguans would like to enter this store, and they wonder what is in it. This store and others like it make a profit margin in dollars. Up to now, this dollar profit margin has been used to reinvest in different activities, such as in the improvement of the store, the purchase of additional merchandise, and so on.

We have decided that a percentage of the revenue—we estimate that it will be 55 percent of the revenue—derived from these stores and other enterprises will be used to create a fund to buy products included in the list of staple products that MICOIN has to distribute. This will contribute to further complementing the supply of basic products, which does not always completely include the products on this list. [applause]

Here there is freedom of movement, of transit. We have to realize that these people—those from the CIA's newspaper—are criticizing these stores. These people not only buy [words indistinct], they go to Miami to shop. People who possess the means to do their shopping there could not care less about how the people who stay here manage. This store serves the needs of those sectors that cannot go to Miami to shop.

Another decision we have made concerns the tax on real estate, taxes on a home, for example. The comrades who benefited from the condoning of their debit balance with the Housing Bank, these comrades—who live in various Managua neighborhoods, in Masaya, in the west, in Chontales—will not have to pay this tax. [applause]

Long-term debts that cattle breeders have will not be reassessed. It is important to give protection to livestock breeders. If we were to reassess their debt, it would increase. We have decided to leave that untouched. The debt of approximately 12,000 cattle raisers amounts to 44 million cordobas, after the switch from old cordobas to new ones. That debt will not change. We are certain that this measure will encourage livestock breeders. [applause]

We are deciding on other courses of action to be announced in the coming days. They are designed to restructure the state apparatus, the government. This will permit the availability of a number of experts, a number of workers, to strengthen the productive sector from the leadership to the rank-and-file. We have also decided to impose a 10-percent spending cut on the general budget. [applause] We have also decided to reduce general budget expenditures by 10 percent. All the ministers will have to see to organizing their ministries to work within that budget. We will not accept meetings with ministers that seek more funds. That subject will not be discussed. [applause]

As for investments, we need them, because we have to continue building schools and health centers. We must continue promoting production in the countryside and in the cities. However, we do not possess sufficient resources to attend to all the demands presented to us by the various production and social sectors.

We will have to reduce our investments even further. This is a grave but necessary decision, for we are giving medicine to a sick patient. When medicine is given to a sick person, the patient must contribute, because if he does not take his medicine, then no medicine will cure him. This is a strong medicine, and it must be combined with all the care that patients must receive, so that all the measures we are establishing can be implemented.

In this way the patient will improve a little, but not completely. That would be difficult, because this patient is facing a war, and a complete cure will have to wait

until the war is over. However, we still have the possibility of working for a cure. For the time being, the idea is not to let the patient die, but to promote his recovery so that he can be in a better position to face those who are attacking him.

In this new phase of struggle for the defense of the revolution, which entails a constant effort to defend production, we are not neglecting the struggle, the battle in the political-diplomatic field. We continue work in the political and diplomatic field.

This week was one of meetings concerning the agreements signed on 7 August 1987 in Guatemala. There was a meeting of foreign ministers in San Salvador, where Nicaragua presented the Central American foreign ministers with a proposal, a document to organize a verification mechanism, which is something we considered essential at the 16 January meeting in Costa Rica. On the one hand, the verification mechanism which existed up to that point disappeared. It disappeared against the will of Nicaragua. However, on the other hand, we stated in writing there, we committed ourselves to the need for verification. We further stated that to this end, we could resort to regional states or to extraregional countries and organizations. Nicaragua submitted a very concrete proposal on this.

There were two agendas at the cease-fire meeting in Guatemala on 17 and 18 February. One agenda had been presented by the constitutional Government of Nicaragua, and another was presented by the mercenaries of the U.S. Government. These two agendas were obviously totally different. However, there were some points of agreement, and mediator Cardinal Obando y Bravo had the task of finding those points of concurrence. When he arrived at the Guatemala meeting, he presented in writing the points of agreement that he had discerned in the agendas of the Nicaraguan Government and the mercenaries of the U.S. Government. Cardinal Obando y Bravo presented some points of concurrence so they could act as the basis for talks on a cease-fire.

However, the contras—in other words, the United States, which through the contras is not interested in a cease-fire because it wants the war, it wants the approval of new funds, as it is already making efforts to get the U.S. Congress to approve new funds at the end of this month or the first few days of March—traveled there to boycott that effort at negotiations. [Words indistinct] on that point to discuss it, even though the mediator was presenting it. They then came out with another proposal, a proposal that was not rejected by the Nicaraguan Government.

The (?joint) proposal demanded an explanation of what the contras should do, because the proposal spoke of the location of the contras in specific enclaves. Then we had to see when, where, and how the contras could be located in that given enclave. Another proposal made to the Nicaraguan Government then dealt with the exercise of democracy. We believe we do not have any problem at all in this. We possess the will to have total freedom exercised in this country, and total freedom will continue to be exercised as long as there is a revolution.

The issue of amnesty was also raised. Nicaragua is favorably disposed toward that, and it has expressed its willingness to grant an amnesty when the cease-fire becomes effective. The reduction of the Patriotic Military Service [SMP] was also raised. I have said that when the war ends, the SMP will not call for the number of combatants it now requires. This number will be lower. There is a law that provides for this. It exists in all the countries. Also, there was no mention of abolishing the law or repealing the law on military service. What Cardinal Obando proposed was a reduction in the service.

The fourth point concerns national dialogue. There is no problem with the national dialogue. Those who do not want dialogue are the opposition parties. We began the dialogue, we are open to dialogue, and we have not rejected dialogue. We have not suspended the talks. Those who have the last word in continuing the dialogue are the opposition parties. This was our evaluation and our response, which Cardinal Obando y Bravo presented. The talks were suspended, and if they are resumed, we are willing to continue them for a cease-fire within the Esquipulas II and Guatemala agreements.

Also, parallel to the mobilization for the defense of production and the diplomatic political effort, we are intent on continuing our utmost efforts to militarily defend the revolution. This cannot be set aside or ignored when the mercenary forces of the U.S. Government are attacking the Nicaraguan people; attacking townships, such as heroic Quilali, where children, women, and peasants were killed; attacking public transportation, and killing the civilian population. Then, what was sought was a response, a firm, energetic response. We are not going to leave the peasants alone to defend themselves from the mercenary forces; we are not going to stand by and do nothing. We are all obliged to participate in the military defense of the revolution. [passage omitted]

Mobilization is important because we are defeating the mercenary forces, because we have a strategy that will lead to the complete crushing of the mercenary forces, which do not desire a peaceful solution. However, the complete defeat of the mercenary forces is only possible if all Nicaraguans are prepared to go to the battlefront, if every Nicaraguan is prepared to take up arms, if every Nicaraguan is prepared to defend peace, freedom, and the democracy that we have been constructing since 19 July 1979.

This explains the attitude of the CIA's newspaper, which wants to mobilize the people against each other. That is impossible. The people are not going to mobilize against

each other. The paper speaks of large mobilizations against the draft, when the fact of the matter is that there are large mobilizations in favor of the draft. There were no mobilizations against it.

Very small groups of people who are not conscientious are protesting against the draft, people who are violating the draft laws, people who are not complying with their duty to the homeland. But this is a minority. The majority of the people are mobilized for the military defense of the revolution. When the CIA's newspaper opposes mobilizing for defense, it is because it is worried, worried for the mercenaries. The CIA's newspaper does not want us to crush the mercenaries, because they comprise the hope for a return to a Nicaragua of the past, one of capitalist domination and submission to imperialism and [word indistinct] in the time of Somoza.

The CIA [words indistinct] parties that define themselves as leftist parties [word indistinct] corresponding to the interests of the counterrevolution and against the interests of the revolution.

We are facing a political and ideological propaganda offensive, which opposes everything that the revolutionary government does. It opposes everything that the workers do. They speak of hunger; always they speak of hunger. The owners of the CIA's newspaper speak of hunger, but they have never been hungry. The owners of the CIA's newspaper have never experienced hunger. They have always eaten well, since the time of their great-grandparents, who were presidents here in Nicaragua. Two of them could have established democracy but instead dedicated themselves to exploiting the peasants, to stealing from the peasants and the workers. This is history. Then there are the gentlemen of the COSEP who speak of hunger.

The COSEP gentlemen have not yet experienced hunger. There is no chance that the COSEP gentlemen are familiar with hunger; hunger is only a word to them. They have no idea of what it means to experience hunger. The leaders of this rightist party [words indistinct]. They speak against the military service and say we are engaged in a manhunt. They could not care less for the dead among the people. The children who died in Quilali and Wiwili during attacks, the children who died in Waslala and Siuna never existed for these people.

Apparently, then, the counterrevolutionaries have not killed anyone, if we are to believe these gentlemen. This would mean the grief of Nicaraguan mothers is a figment of the imagination, something artificial. Every one of the mothers who has lost a son must have fabricated a story because [words indistinct] the counterrevolutionaries apparently kill nobody. These gentlemen really want the counterrevolutionaries to attack and murder the working people because they think this would demoralize the workers. The COSEP people have even said during meetings with other people, such as those of the Nicaraguan Coordinating Board, that there could be an insurrection in our nation.

But let them beware of talking about an insurrection. This is because, through their stand and the poison they have been pouring out every day through their communications media, and through their hatred of and disregard for the people, as expressed through their communications media, an insurrection might indeed flare up. Such an insurrection, however, could wipe them out instead of the revolution. [applause] Let them not try to split hairs. They could succeed. [applause]

Although we know it is very difficult, if not impossible, for them to be receptive, we recommend that they be more responsible about what they say and do. A (?lot of things) would become secondary concerns if rivers of blood were not flowing daily in Nicaragua. So they must understand that this regime has been very generous. They must understand that they have a broad political space here. They can criticize, yet they must do so constructively.

They must understand, however, that if they side with counterrevolutionaries and aggressors against the people, they themselves will be sowing the winds that will bring about tempests. It will not be us, the FSLN leaders, who will sow these seeds. Quite the contrary. We have exhorted them, and exhort them again today, to back, with productive work, these measures we have taken. We urge them, in accordance with the law, to back the measures to protect production and military mobilization so we can continue to struggle against U.S. aggression.

Nevertheless, those things are but by-products or, shall I say, leftovers from a past already completely left behind. This (?strengthens) the position of the people, workers, laborers, peasants, and youths. This is what counts. We will continue to protect the interests of the revolution with the law, reason, arms, and every legal, judicial, moral, and political instrument. We will enforce these measures to defend the economy of the revolution. We will continue to struggle politically, diplomatically, and militarily until we put an end to aggression and to the mercenaries and attain peace, which is a permanent demand of the Nicaraguan people. Free homeland! [crowd shouts: Or death!]

Decree on New Central Bank Powers Issued

PA201445 Managua Radio Sandino in Spanish 1200 GMT 20 Feb 88

[Government Decree No 311, signed by President Daniel Ortega, and issued in Managua on 19 February]

[Text] The president of the Republic of Nicaragua,

In conformity with Articles 138, Section 16, and Article 150, Section 7 of the political Constitution of the Republic of Nicaragua and the Annual Delegatory Decree Law A.N. [expansion unknown] No 001 issued by the National Assembly on 16 December 1987, and published in the official daily LA GACETA on 23 December of the same year, in employing his powers, decrees:

Article 1.

The Central Bank of Nicaragua or whosoever it delegates to act, solely and exclusively, whenever there is any doubt, suspicion, or indication concerning the legitimacy of the possession of the demonetized cordobas that were left in deposits, through special deposit certificates, according to Article 13, paragraph b of Decree No 306 of 14 February 1988, the Law on Monetary Conversion, and to determine whether such possession is connected with any criminal act according to the law, will verify, in keeping with the truth and good faith, the legitimacy of the same. It will to this effect issue the pertinent resolution and will submit to the respective officials the documents concerning the action taken so that the proper investigations can be initiated. Article 2.

The Finance Ministry, in compliance with the preceding article, will proceed to investigate the case, collecting whatever taxes are due according to the investigation and enforcing the laws related to tax or customs-payment evasion.

Article 3.

The certificates of special deposits referred to in Article 1 of this law, which could be affected by the verification procedure, will be held without acquiring interest, and the expiration of their term will be left pending until the final resolution by relevant officials.

Article 4.

The powers granted to the Central Bank of Nicaragua in Article 1 of this law will last for a 6-month period effective the date of this decree, after which they will expire.

Article 5.

This decree becomes effective the date of its publication in any collective communications media, notwithstanding its subsequent publication in the official daily LA GACETA.

Issued in Managua on 19 February 1988.

For a dignified peace, free fatherland or death!

Daniel Ortega Saavedra, president of the Republic

Foreign Currency Decree Issued

PA201524 Managua Radio Sandino in Spanish 1200 GMT 20 Feb 88

[Government Decree No 312, signed by President Daniel Ortega, and issued in Managua on 19 February]

[Text] The president of the Republic of Nicaragua,

In accordance with Article 138, Section 16, and Article 150, Section 7 of the Constitution of the Republic of Nicaragua and Annual Delegatory Decree Law A.N. [expansion unknown] No 001 issued by the National Assembly on 16 December 1987, and published in the official daily LA GACETA on 23 December 1987, in exercising his powers, decrees the following provisions concerning foreign currency:

Article 1.

All citizens or foreigners, whether residents or nonresidents in Nicaragua, can possess in the country any legally acquired amount of foreign currency, whether it be in cash, traveler's checks, money orders, or any other convertible assets, as long as they come from operations whose value must not be obligatorily negotiated in the National Financial System or at the Nicaraguan Central Bank. This foreign currency can be directly saved or be kept in foreign-currency deposits in either checking, savings, or time-deposit accounts in any national banking institution.

The foreign currency to which the previous paragraph refers can be negotiated in the National Financial System or at an authorized exchange house.

Article 2.

For the effects of the application of Decree No 835, the Law on Exchange Crimes, published in the official daily LA GACETA, No 237 of 20 October 1981, illegal possession of foreign currency is presumed in cases in which its legitimate acquisition cannot be proven.

Article 3.

The possession of foreign currency is considered legitimately acquired in the following cases:

A. Any sum up to $500 or its equivalent in other currencies;

B. Deposits in the Nicaraguan Central Bank and the National Financial System in checking accounts, savings accounts, or certificates of deposit in foreign currency, whatever their amount;

C. Foreign currency stemming from incentives for production, duly authorized by the relevant authority;

D. Family remittances not exceeding $500 a month or its equivalent in other currencies;

E. Any amount authorized by a relevant authority empowered to do so;

F. Any amount in foreign currency whose legitimate acquisition is supported by the appropriate documents.

Article 4.

All individuals or corporations who possess more than $500 or its equivalent in foreign currency must inform the Nicaraguan Central Bank or any branch of a bank of the National Financial System on plain paper [without a government stamp] within 15 days of the date of this decree. The duly signed, sealed, and delivered copy will serve to legitimize their possession prior to the date of this law. If the required information is not presented within the established period, it will be presumed that the possession is illicit.

Those who falsify information presented in accordance with the previous paragraph will be liable to the penalties established by Decree No 835, the Law on Exchange Crimes, LA GACETA No 237 of 20 October 1981.

Article 5.

The information requested in the case formulated in the previous article will not be required if the foreign currency is deposited in any type of foreign currency account or in any bank of the National Financial System or the Nicaraguan Central Bank.

Article 6.

All resolutions issued by the board of directors of the Nicaraguan Central Bank—especially the resolution establishing the regulation of the purchase, sale, entry, possession, and outflow of foreign currency, Resolution CD-DCN 185 of 6 May 1985—that do not contradict this law will remain in force.

Article 7.

This decree will take effect the moment it is published by any mass communications media, notwithstanding its future publication in the official daily LA GACETA.

Issued in Managua on 19 February 1988.

For an honorable peace, fatherland or death!

[Signed] Daniel Ortega Saavedra, president of the Republic

RN Claims Credit for Helicopter Downing

PA200145 Panama City ACAN in Spanish 0105 GMT 20 Feb 88

[Text] San Jose, 19 Feb (ACAN-EFE)—The Nicaraguan Resistance (RN) today claimed its forces shot down a helicopter on 14 February in the Chontales area. The RN said 15 crewmen and passengers were killed.

The Nicaraguan Government, on the other hand, has attributed the crash to mechanical failure and said only seven persons died.

In a communique delivered to ACAN-EFE today, the contras assert that a Redeye missile fired by a combatant identified as "Nieve" struck the Soviet-made Mi-17 helicopter in the Cerro El Gallo area. The aircraft crashed 10 km from the city of Chontales.

The contra communique says that 15 persons were traveling in the helicopter and that all of them died. The contras also claim they recovered from the wreckage 10 million new cordobas, the new Nicaraguan currency that became legal tender on Monday.

"We are in a position to confirm that the helicopter crashed due to its being struck by a missile," the contras added.

Panama

U.S. Ambassador Davis Warned Over 'Abuses'

PA201917 Panama City Televisora Nacional in Spanish 0000 GMT 20 Feb 88

[Text] There were Carnival festivities also at the heavenly and world-renowned Contadora Island. Local political analysts observed a particular political connotation as [U.S.] Ambassador Arthur Davis visited the island during the King Momo [Carnival] festivities, and stayed at the private residence of Gabriel Lewis Galindo. As we all know, Gabriel Lewis Galindo is in Washington where he has become public enemy No 1 and the U.S. empire's main ally in trying to destabilize our country.

In this manner, Ambassador Davis did not hesitate to publicly identify himself once again with the person who insists on harming his own fatherland as much as possible. President Alfredo Stroessner expelled Arthur Davis from Paraguay for this same type of stubborn action. The Legislative Assembly harshly criticized Arthur Davis for these types of diplomatic abuses.

Panama has been extremely tolerant of Ambassador Arthur Davis, who constantly abuses the patience of our dignified and sovereign people. Therefore, tonight we wish to remind him of the more direct message sent on 11 February by the commander in chief of the Armed Forces. This should serve as a loud knock on his conscience.

[Begin General Manuel Antonio Noriega recording] I tell the honorable U.S. Ambassador Arthur Davis to send the message: Get your hands off Panama! This is a Panamanian problem! [end recording]

PPR Convention Elects Luis Suarez President

PA192246 Panama City MATUTINO in Spanish 15 Feb 88 p 10

[By Carlos Collado V.]

[Text] The Revolutionary Panamenist Party [PPR] convention held last Friday at the Atlapa Convention Center ended with the confirmation of Luis Gaspar (Toti) Suarez as its president, upholding a defensive position in the nationalist struggle and its decision to march alongside the Panama Defense Forces [FDP].

With massive participation by different PPR sectors, including its youth group called the Black Berets, the PPR convention was attended by representatives of the various provinces, who confirmed their support for the principles and beliefs of the PPR.

Alejandro Cuellar, veteran member and experienced leader of the PPR, who is also Panamanian ambassador to Haiti, was chosen by popular demand to preside over the event. Cuellar is a figure whose conduct is beyond reproach in the struggle of this party and the fatherland.

The National Executive Committee (CEN) was elected at the PPR convention. Luis Gaspar Suarez was elected president; ranking revolutionary leaders Bernardo Dominguez, Guillermo Nunez, and Edgardo Matos, vice presidents; General Teodoro Navas, secretary general; Francisco Puente, to be in charge of the Revolutionary Panamenist Youth [Juventud Panamenista Revolucionaria, JPR] (Black Berets); Maida Arango, secretary of women's affairs; and Ricaurte Nunez, Javier Lopez, and Roberto Cano, spokesmen.

UNADE [Democratic National Union] representatives, among others Dr Romulo Escobar Bethancourt of the PRD [Democratic Revolutionary Party], Azael Vargas of the PALA [Labor Party], liberal and Panamenist youths and members of the People's Party, as well as representatives of the diplomatic corps accredited to our government, such as those of Libya, Cuba, Nicaragua, and the Saharan Democratic Arab Republic, and legislators of different political parties were also guests.

During his speech, Luis Gaspar Suarez said no other country in the world after 8 months of disorders, attacks, and provocations could demonstrate such honorable conduct as that shown by our FDP, in that not a single Panamanian has been killed by the FDP. Because the Panamanian nation needs a strong vanguard force, the PPR has firmly resolved to confront any risk to build a party with a new message.

Special Commission Recommends 1988 Budget Cuts

PA192219 Panama City Televisora Nacional in Spanish 0000 GMT 19 Feb 88

[Text] The most widely discussed news in political and labor circles today was the announcement of the recommendations recently made by the special commission reviewing the 1988 budget. The commission was appointed by the president. The most controversial recommendations include reducing the government work force by 10 percent, postponing public employee wage increases and promotions, and delaying two out of three installments of the 13th-month bonus for public employees. The proposals also include a 10-percent salary reduction for public employees earning over $1,000 a month and an increase in telephone, water, and sanitation services, as well as measures regarding the foreign debt.

The commission comprises National Legislative Assembly leaders, members of the Assembly's Budget Commission, and representatives from political parties in the UNADE [National Democatic Union]. Its proposals will save over $300 million. Many of these measures must be approved by the National Legislative Assembly, while others fall within the purview of the president as they are of an administrative nature. National Legislative Assembly President Alberto Aleman Boyd said today that the Assembly will review the measures that fall within its purview.

[Begin recording] [Boyd] This report was forwarded to the president. He must study it or adopt the measures he considers appropriate. The Assembly will study those measures that must be enacted into law to take effect. The assembly will do this when the proposals are presented during the next period of sessions.

[Reporter] Legislator Boyd, not only as head of the Assembly but also as a prominent member of the PRD [Democratic Revolutionary Party], do you feel PRD legislators would approve reducing the public work force and witholding two installments of the 13th-month bonus?

[Boyd] It is worth noting that the economic problem is real. It is important for the Panamanian people to know this. Logically, it is up to the government to deal with this situation. No one wants to destroy a family's stability or security, however. We have reviewed that situation, and we find that it is very difficult. The PRD legislative bloc will seek another more viable alternative or solution. [end recording]

Meanwhile, Edilberto Mendez, this month's coordinator of CONATO [National Council of Organized Workers], said today that his labor group rejects the commission's proposals. He stressed that CONATO cannot accept mass dismissals of public employees and losing the gains made by the country's public employees. Mendez said

the labor sector is proposing a national dialogue as a viable alternative, because the commission's recommendations are a political measure.

Anibal Culiolis, member of the FENASEP [National Federation of Associations of Public Employes] Board of Directors, said this public employees organization also rejects the special commission's proposals:

[Begin recording] Our leadership decided to appoint a commission comprising several members of FENASEP's Executive Committee and some of its economic and administrative advisers to draft our group's position on the special commission's report. We can tell you that in principle we reject any administrative or legislative measures stemming from the special commission's recommendations that will entail mass dismissals, wage reductions, or the elimination of any gains—whether referring to wages or to matters that jeopardize the security of any public institution. [end recording]

Argentina

Alfonsin To Sign Memorandum of Understanding

PY192235 Buenos Aires DYN in Spanish
1450 GMT 19 Feb 88

[Text] Buenos Aires, 19 Feb (DYN)—According to official sources, Economy Minister Juan Sourrouille and Public Works and Services Minister Rodolfo Terragno this morning went to the Olivos Residence at 0900 to obtain President Alfonsin's approval for the memorandum of understanding to be sent to IMF Director Manager Michel Camdessus.

Minister Terragno attended the meeting because one of IMF's conditions to free credits to Argentina is that the public works budget be reduced to prevent the fiscal deficit from surpassing 2.9 percent of the GDP at the end of the year.

The memorandum of understanding was drafted in Washington by Economic Policy Under Secretary Juan Sommer, Budget Under Secretary Ricardo Carciofi, and IMF officials. The memorandum was sent via Telefax to the Economy Ministry to be signed. Then, it will be returned to the IMF.

The document, which defines the goals for the first 3 months of the year, foresees a fiscal deficit of 2.9 percent of the GDP: 2.2 percent of which will be a result of the deficit created by the public sector, and 0.7 percent the result of a quasi-fiscal imbalance; of an estimated yearly inflation rate of 110 percent; of a growth of 4 percent of the GDP; and of positive interest rates.

Sourrouille's negotiations in the United States have helped to liberate delayed credits amounting to some $2 billion. The U.S. Treasury also granted the country a $550-million bridge credit while the IMF grants Argentina the remaining part of the stand-by credit.

After delivering the signed document to the IMF in Washington, Sommer and Carciofi will leave for Argentina tonight where they are expected to arrive tomorrow.

International Bodies Discuss Foreign Debt

PY192322 Buenos Aires CLARIN in Spanish
19 Feb 88 p 2

[Text] The U.S. Treasury Department and the Federal Reserve, the IMF and the World Bank, and a group of research institutes linked to the largest U.S. commercial banks are analyzing the possibility of creating a mechanism to forgive 30 percent of the Argentine public foreign debt. This would mean a $15 to $18 billion reduction to the total of $55 billion that Argentina owes today.

The Reagan administration—as was suggested by Robert Gelbard, U.S. deputy assistant secretary of state for South American affairs, during his confidential meetings in Buenos Aires—would be willing to modify U.S. banking regulations to prevent credit discounts from damaging U.S. financial institutions. Under current regulations, the creditor institutions must admit the losses and deduct the whole of the bad loan from their minimum capital. This would consume the minimum capitals of the largest banks (Citibank, Manufacturers Hanover, Chase Manhattan, and Bank of America). [sentence as published]

Minister Juan Sourrouille is working full time on the issue because of the political impact this could have on the Government's economic policy, which has achieved very few successes, and which has been questioned by UCR leaders themselves, and because we are getting close to an electoral year.

According to a high-level foreign banking source, the Department of State apparently wants to announce "complementary measures" to the Baker Plan during the upcoming IMF and World Bank annual assembly. In September 1985 during a similar meeting in Seoul, ROK, James Baker announced a plan, that carries his name, which until now has met with many difficulties in its implementation.

Argentina, in return for having part of the debt forgiven (part of the principal, in banking jargon) would commit itself to implement deeper structural adjustments, (or middle and long-term adjustments, beyond the short-term adjustments included in the "stand-by" [preceding word in English] agreements. This is why officials are talking about 3-year agreements instead of the current 15-month agreements), and increase the process of capitalization of the public foreign debt which started a month ago. This and the resolution of delicate diplomatic questions intended to shore up plans to attract foreign investments.

The Mexican Lesson [subhead]

The process of forgiving involves issuing new debt notes with a total value much less than the original debt, and exchange them, now that they are more stable, for the old notes, which are losing value with the banks.

Following the "Mexican case"—an attempt by the U.S. Treasury to support Carlos Salinas de Gortari's future government after he replaces Miguel de la Madrid—Argentina insisted on its previously proposed plan that was submitted in Washington. The "Mexican case" was also useful to assess what we should not do: For instance, Mexico does not recognize that the new bonds to be handed to creditors do not take into account part of the losses of interest suffered by the creditors because of the reduced capital.

Because of these losses the largest banks rejected the Mexican bonds. Argentina would make a payment in lieu of interest that the banks lose under this exchange. The World Bank would guarantee the Argentine operation.

The Baker Plan has already proposed increasing the institution's capital so it could play a more active role in the dealings of the Third World foreign debt.

In light of the past experiences, Argentina could—local officials aware of Sourrouille's discussions in the United States estimate—issue the new bonds with a 30 percent discount on the capital. This would suppose an intermediate course because in Paris last week Argentine notes were selling at 35 cents to the dollar, and this supposes a loss of 75 percent. [figure as published].

Finally, given the fact that Argentina only makes partial annual interest payments on its debt (the rest is capitalized), it is probable that the discount will not have a concrete effect on the exchanged balance in the short-term. It will, nevertheless, operate as a signal of diminishing uncertainties on the future of the country and will lower the risk factor of the country.

Minister Sourrouille Views Economy

PY191813 Buenos Aires DYN in Spanish
1230 GMT 19 Feb 88

[Text] Buenos Aires, 19 Feb (DYN)—Economy Minister Juan Sourrouille has said that the transfer of funds caused by the repayment of the foreign debt "makes economic growth difficult to accomplish," adding that "it will be very difficult to bring the inflation rate below 100 percent this year." He also said that the monthly income now "surpasses" 1,000 Australs.

Sourrouille denied that "a major reduction in the activities in the economic sector" is expected and, after admitting that taxpayers "feel overwhelmed," he said that "as of March the country will have a much more equitable system" as far as taxation is concerned, that now there is "great inequality, because some people pay taxes while others do not."

The statement by Sourrouille was broadcast this morning exclusively by Radio Continental of Buenos Aires, during the "Primera Mano" program.

When the journalist who was talking with him asked him about the real value of the family basket, which according to the CGT [General Confederation of Labor] stands above 1,000 Australs, Sourrouille mentioned technical details of the calculation of the price index, adding that "the important thing" is "to choose the group to which the family basket applies and to find out the income of that group."

"A traditional group in Argentina, which in the past was considered a family with an industrial worker at its head and with two school-age children, may well spend 1,000 australs or more. Yet I should tell you that nowadays the income level of family heads in Argentina—and for that matter the income level of the family—is above that amount," Sourrouille said.

In another part of the interview, Sourrouille estimated that the public administration's deficit will reach approximately 2 percent of the GNP in 1988, and that the deficit of state-owned enterprises will be 2 to 3 percent of the GNP.

When referring to the Argentine foreign debt, the minister said that "it represents a burden," adding that "our permanent stance is, on the one hand, to modify the negotiation arena, and on the other, to refinance a considerable portion of the interests."

After admitting that there are "defects" in the negotiation mechanism, Sourrouille admitted that "the way things are now, the transference of funds imposed by the foreign debt hinders economic growth," and "this must be understood by both parties in this kind of negotiation."

"Much progress has been attained in this aspect, and I believe that the proposals available in the menu of options is receiving further acceptance this year, therefore we will make progress," he said.

"For example, we hope that the relation between the IMF or the World Bank with the debtor countries will change this year," he said, adding that "we think that the time has come."

He also said that "there could be some changes in our situation with the banks, because they cannot deny the fact that the market value of the debt is lower than its nominal value."

In response to a question, Sourrouille admitted that "there is an atmosphere of uncertainty" created by the current system, and he added: "That is not favorable for us, the creditors, or the investors since these investors are greatly responsible for our success in the future."

The minister said that the foreign debt problem "is not a temporary problem, as was believed in 1982, but it is a structural problem that will take several years to resolve."

Referring to inflation, he admitted that percentages continue high," and added that "it will be hard to make the inflation decrease to the 100 percent level this year."

However, he said that now "things are much more under control than in 1985" and he guaranteed that the possibility of hyperinflation "is more distant now than it has been at any other moment."

Asked about the possibility that the recession might worsen in March or April, Sourrouille replied that the figures for January "do not give any grounds to predict a major reduction in the activities of the economic sector."

He said, however, that "no major increase in the level of economic activity should be expected in the very short term," although he made it clear that "I have no data to support such a statement."

Asked whether the government has already made a political decision on whether some public works will be executed by the private sector as of this year, the minister replied affirmatively, adding that "this is the general idea," although he warned that the decision "will not affect all areas."

He stressed that "we are trying to have a more flexible and competitive system based on the concept of risk capital investment."

Concerning the UIA [Argentine Industrial Union] criticism over the opening in some areas and the rejection of some taxes, Sourrouille dismissed the contentions of the UIA, stressing that "the latest resolutions by the DGI [General Directorate of Taxation] have in practice increased basic taxation levels."

"As of March, a much more equitable system will be implemented in our country, because both the taxes on bank liabilities and the withholding of taxes will do nothing but put everyone within the tax system," he stressed.

Asked whether he has realized that some social sectors are unwilling to pay taxes, on the grounds that the tax burden has reached a maximum level, the minister replied that "I believe there have been some reactions like that."

He explained that "the people feel overwhelmed" and that "the people have blamed this feeling on the tax burden."

"I also realize there is considerable concern among the people. Some people believe that they will be unable to pay what they think they will have to pay, and they are concerned about this," he said, adding that "it is interesting that people should now wake up to something that for a long time remained as a dormant factor inside themselves, namely the concern for complying with their obligations."

He said that "it is very difficult to say" whether the tax burden has reached a peak, stressing that "there is great uncertainty. There are people who pay and people who do not pay."

"With our current system, there are many people who, in theory, could pay, but who do not actually pay because of several tricks or rights that were acquired in the past," he noted.

Finally, he defended the opening, although he preferred to refer to it as a more intense economic relation between Argentina and the rest of the world, that the government began to implement through the deregulation in the areas of paper, iron and steel, and petrochemicaLs. He said that "a developing economy has a competitive level, the system is protected, and domestic price are lower than world market prices."

U.S. Lifts Military Aid Prohibition

PY191859 Buenos Aires Domestic Service in Spanish 1600 GMT 19 Feb 88

[Text] The newspaper AMBITO FINANCIERO today reported that the United States has lifted the prohibition on granting U.S. military aid to Argentina. This prohibition was imposed during the seventies. According to the newspaper, Robert Gelbard, U.S. State Department under secretary for South American affairs, reported this news to President Alfonsin during his visit to the Olivos presidential residence on 17 October.

It is known that Argentine Government and Armed Forces have repeatedly requested the United States to cease the prohibition on military aid to Argentina because the Armed Forces need spare parts to maintain and service its military equipment that was bought from the United States. Defense Minister Horacio Jaunarena has reportedly discussed the subject with U.S. officials recently. He had remarked that it is essential that the Argentine military forces have the appropriate materiel.

Officers Reportedly Seek Asylum in Paraguay

PY192117 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1945 GMT 19 Feb 88

[Text] Buenos Aires, 19 Feb (NA)—A reliable government source today announced that Army Captains Martin Sanchez Zinny and Ernesto Larramendi, who were declared in "contempt of court" after they announced they would "go underground to fight Marxism," have reportedly sought asylum in Paraguay.

The source dismissed "for the time being" the possibility that these officers would attempt to conduct terrorist actions to destabilize the government of President Raul Alfonsin, which they strongly criticized in notes they separately delivered to the press when they announced they would "go underground."

Speaking with NOTICIAS ARGENTINAS, the source pointed out that "the possibility that Sanchez Zinny and Larramendi are in Paraguay arises from military and civilian intelligence reports" reviewed at the highest military and government levels.

These rebel officers have an "ultra-Catholic" ideology and are linked to former Lieutenant Colonel Aldo Rico and neofascist political leaders.

According to the source, the officers at large "have reportedly chosen Paraguay" as a place to live because they "consider Paraguay one of the leading anti-Communist countries in Latin America."

According to the source, the government so far does not know if the officers entered the neighboring country with the prior authorization of the Paraguayan authorities, and it believes they reportedly entered Paraguay through a "pass" in Clorinda, north of Formosa, a "pass" usually used by smugglers.

Brazil

Sodre Discusses Foreign Debt, Weapon Sales

PY191624 Sao Paulo FOLHA DE SAO PAULO in Portuguese 18 Feb 88 p A-9

[By Caio Tulio Costa from Paris]

[Text] The French Government believes that the fact that Brazil is talking with the IMF should help Brazil reach agreements on the foreign debt. In the opinion of Brazilian Foreign Minister Abreu Sodre, Brazil, "sensing that its proposal has a chance of being accepted, is now in a position to try to stretch out the debt over a longer period of time, reformulate the 'spread' issue, and reschedule the payment of interest on the debt."

At a news conference at the Brazilian Embassy in Paris yesterday, Minister Sodre discussed his European tour. He said his main objective was to discuss with France the political aspects of the foreign debt. He spoke with French Foreign Minister Jean Bernard Raymond about Brazil's need for new money "at lower interest rates," for French Government cooperation to facilitate investments in Brazil, and for more participation by French capital.

The Brazilian minister said: "France as secretary of the Paris Club has an important role in handling the foreign debt problem in the European Economic Community." Brazil currently owes nearly $38 million to EEC countries, according to Minister Sodre. His trip to Europe gave the minister an opportunity to close the 'modernism" exposition of Brazilian art last Monday. Yesterday, he went to Geneva, Switzerland, to participate in the preparatory meeting for the international disarmament conference scheduled for 6 June at the UN headquarters in New York.

At his news conference, Minister Sodre said his mission was political, not technical, in nature. So, he was not in a position to say anything about the timetable of negotiations between Brazil and the Paris Club. He said the Finance Ministry is in charge of this matter.

Weapons [subhead]

Regarding Brazilian arms sales to other countries, Minister Sodre did not reveal whether he received any pressure from the French Government. He only said Brazil "has private enterprises that manufacture war materiel and these enterprises are free to sell their products in any market." Sodre explained that the Brazilian Government intervenes only in cases where arms are to be sold to countries that are agressors against allied countries. Iran and Iraq are not subject to that "intervention" because "contracts with Iraq were signed before the war, and Iran maintains relations with Brazil."

As for the sale of Brazilian weapons to Libya, which might be raising concern in France, Minister Sodre said this matter was not discussed. He pointed out that Brazil does not "yet" have a plan to sell arms to Libya, because the Libyan delegation's visit to the Brazilian arms manufacturing complex was intended "to verify its capability, and to see what it has to offer." According to Sodre, if the deal goes through, Brazil "would only allow the sale of small nonaggressive weapons." That is exactly what he said: "Nonaggressive weapons."

Abreu Sodre said Brazil does not sell arms to Nicaragua or the "contras," and he talked about the situation in Central America, which will be discussed at a meeting in Hamburg, FRG, early in March. That meeting will be attended by EEC, Central American, and South American countries—25 altogether, including Brazil. Its objective will be to raise EEC money for El Salvador, Nicaragua, Honduras, Guatemala, and Costa Rica, once the issue of peace in the region is settled.

Cuba [subhead]

The Brazilian foreign minister also recalled his impressions from an informal talk he had with Cuban leader Fidel Castro after relations between the two countries were resumed. In his opinion, "Commander Fidel Castro's interest is focused on development policies rather than on exporting revolution through the ideology Cuba has adopted." Sodre said: Since the talk took place "before perestroyka was even announced," Fidel Castro "was anticipating positions that the East and West—the Soviet Union and the United States—would assume."

As for the announced trip of President Sarney to France, Sodre said he did not mention it on purpose, because Sarney does not want to leave the country for long periods now when "many polemic issues in the Constituent Assembly, which is writing the Constitution, demand his presence." The same thing applies to Sarney's trips to the Soviet Union, the PRC, and Japan: "Brazil has a small problem. As long as the Constitution is being discussed, it will be easy for the president to receive visits, but difficult for him to travel." Yet, Sodre believes that by the end of this year, Mikhail Gorbachev and Sarney will have set the date for their respective visits since the matter is "at the foreign ministry level."

Chile

Pinochet Says Opposition To Resort to Violence

PY221411 Santiago Domestic Service in Spanish 0930 GMT 22 Feb 88

[Text] In Iquique, President Pinochet has said that the opposition, in its desperation and with a few exceptions, will resort to violence and terrorism, adding that the

progovernment parties must cooperate with and support the government. The head of state made this comment while summarizing his 5-day visit to the First Region of Chile, a visit that began in Arica on 17 February.

Pinochet said this was not a tour but a 5-day visit during which he rested in the north and combined work with pleasure, adding that it was not a prepared tour, for which reason many activities were carried out as they cropped up. When I was invited to dinner, I went to dinner, Pinochet said. There were speeches in which several matters were brought up, and I made impromptu comments, always speaking the truth, he added.

Pinochet said he is personally interested in road maintenance problems. He said that he made some announcements because the people in that area were waiting for announcements, although they could have been made on 1 May, which will be celebrated in that city.

Pinochet said he was very satisfied with his discussions, stressing that the people are in good spirits and are strongly supporting the government. Pinochet said the people are well aware of the things that are being accomplished. Thus, I am leaving here very happy and satisfied, he concluded.

PCCh Makes Declaration on Domestic Situation

PY200241 Santiago CAUCE in Spanish
11-17 Feb 88 pp 46, 47

[Paid ad by Julieta Campusano]

[Text] The common and unavoidable duty of all democrats is to defeat the attempt of the dictator to prolong his fatefull regime and perpetuate himself in power.

The victory of democracy over dictatorship is possible.

To attain it we should persevere on the path of unity, and each sector of the people should struggle for their needs and rights with the firm determination of thwarting the fraud of the plebiscite.

The fraud not only consists of the total control of the electoral system by the servants of the tyranny—it is much more and much worse than that.

Fraud means the continuation of terror, repression, torture, crimes, the disappearance of people, the states of exceptions, and the proscription of political parties with deep popular and democratic support. Fraud means maintaining exiles: The tyranny's decision to single out hundreds of thousand of Chileans, deprive them of their right of expression as citizens, and force them to emigrate to other countries for political or economic reasons. Fraud means millions of Chileans finding it impossible to register with the electoral system. Fraud means putting all the state's resources and the most gigantic bribe operation in the history of the country at the disposal of the candidacy of the dictator.

Fraud is the implementation of the plebiscite according to the 1980 Constitution that establishes that Pinochet should continue in power even if the people defeat the imposition.

Fraud also means sectarian political propaganda and pressure on Army soldiers, draftees, noncommisioned officers, and other military institutions on behalf of Pinochet. Fraud is the monopolization of television and other mass communication media. Fraud is the regime's speculation on and demagogical use of the problems and anxieties of the needy. Fraud is the government campaign to make people believe the country has a prosperous economy when more people go hungry and suffer misery, when more Chileans live in extreme poverty, when the need for shelter is greater and unemployment is larger, when salaries remain below the levels of 14 years ago, and when education and health services have deteriorated. These are the most important problems for us, now and always.

The most important goal of all Communists is to report and confront fraud, putting the people and their problems, their needs, and all their expressions of struggle at center stage.

The tyranny conceived the plebiscite to win, not to lose.

The plebiscite was not inevitable, nor it is inevitable now. If all opposition forces reject this plebiscite and decide not to participate, they will grant the dictator an overwhelming defeat that will hasten his fall. But the center-right opposition, and regretfully some left-wing parties, have decided to accept it, making its implementation more probable, narrowing the chances of the democratic forces and distracting their attention from the most important problems, and raising dangerous illusions in a false electoral scenario.

Some parties speak of conditioning their participation in the plebiscite to the implementation of some guarantees.

Pinochet is determined not to grant any. If he perseveres in his attitude, which is most probable, these political parties will be forced to surrender to the dictator or stay away from the ballot boxes.

Nor can we avoid observing that high-ranking Christian Democratic Party leaders have said their party's decision to vote no in the plebiscite could change to yes if the commander in chief of the Armed Forces propose an acceptable candidate.

We Communists denounce the center-right opposition because it is constantly bowing to the arrogance of the dictator. This sector dropped the demand for Pinochet's resignation, went back on protests and social mobilizations, gave up on civil disobedience, renounced the creation of a state of ungovernability, forgot active

nonviolence—all of which they preached before—and now sets aside or postpones the campaign for free elections and decides to accept the plebiscite.

This succession of capitulations is part of a plot of U.S. imperialism, which continues to meddle in Chilean affairs. In the past, U.S. imperialism intervened to establish Pinochet's dictatorship. U.S. imperialism is meddling now to impose a solution that will protect its interests, especially keeping an economic model based on transnationals. Seeking to implement that project, U.S. imperialism is working toward achieving social demobilization, the division of the opposition, and, especially, the isolation of the Communists as pertly proposed by Robert Gelbard in July 1986.

The concerted effort now being made to promote the no vote is merely an election-oriented effort, which does not involve an all-out struggle against the dictatorship. Rather it tends to negotiate with the dictatorship, a possibility that could even take place before the plebiscite.

Democracy will not defeat the dictatorship with this capitulating and conciliatory policy. Furthermore, to participate in the plebiscite under these conditions means to endorse fascist institutionalism and help make the fraudulent results Pinochet will announce in the future appear legitimate and legal.

We are acting, and we will be resolutely acting to change this political scene to block the way of capitulation and to pave the way for the struggle to achieve a truly democratic scale; trusting the masses, we will develop their potential for combat.

Never, at no time and nowhere has the quest for liberty been possible in connivance with the oppressors and without active mobilization of the people.

The defeat of the dictatorship can and should only be achieved through an intense mobilization of the masses. If the plebiscite is held in the midst of a determine struggle against the regime in all fronts and varied fields, it could turn in favor of the people. Today the PCCh calls on everyone to organize these struggles, to support the social movements scheduled for March, to create the necessary conditions for the plebiscite to spark a people's rebellion that may lead to the ousting of the tyranny—no matter the result.

The dictatorship will not be able to impose its plans, if the opposition decides to mobilize itself in an orderly and determined manner to get our people to engage in offensive actions in a struggle for democracy.

We call upon the workers, students, women, the entire Chilean citizenry to deploy an energic struggle and resolutely unite the masses in support for the economic demands; for job opportunities; housing facilities; health services; education; university autonomy; the release of Clodomiro Almeyda, Karin Eitel, Leonardo Melo, Roberto Weibel, Alfredo Malbrich, Victor Diaz, Vasily Carrillo, and remaining political prisoners; for the acquittal of Manuel Bustos, leader of the National Workers Command, of Arturo Martinez, and Moises Labrana; for the lifting of death sentences; for the return of those living in exile; against the proscription of political parties; against the fascist constitution and particularly against its Article No 8; for the end of torture, for the punishment of those who torture and murder; for the defense of the Mapuche Indians' patrimony; for the fulfillment of the aspirations of seasonal workers, of the workers under the PEM [Minimum Salary Program] POJH [Employment program for Heads of Households], and PIMO [Programa Intensivo de Mano de Obra, Intensive Employment Program], of subcontractor workers, and of mortgage holders.

The dictatorship will yield nothing without a struggle. At the most, it will make some petty concessions that by no means will place the regime at stake. These concessions will be for the exclusive use of those who adapt to its system, especially the bourgeois opposition.

The people demand that all political parties and all organizations fully enjoy the right of assembly and the right to access to the radio, press, and television.

We fully support the declaration issued by the United Left on 19 November that reads: "We uphold the organization, unity, and struggle of the people that, by generating a state of mobilization, social unrest, and rebellion, and a democratic uprising, will allow the breaking away of the current institutional process and open a path for an effective transition toward democracy.

In other words, we call for a popular uprising against the tyranny, not for submission to it.

Institutional rupture is the obligatory step to put an end to the dictatorship, not only because of the dictator's stubbornness but because the Constitution and laws do not open real possibilities for advancing toward democracy.

The dramatic situation of the people is expressed by many voices and attitudes, among them, those of the 150 priests and nuns who indicated that Pinochet is the great culprit; those of the Women for Life movement who criticized the apathy of some political leaders; those of the Valparaiso shantytown dwellers who went on a hunger strike for 20 days demanding opposition unity; and those of many hunger strikers who demanded the reappearance, safe and sound, of five youths kidnapped by the CNI [National Intelligence Center] in September.

The leftist parties, the Christian Democratic Party, and other sectors are concretely coordinating actions in numerous communities and cities. The people are strongly demanding joint action by all the democratic forces throughout the country in defense of their interests in an all-out struggle against the dictatorship. It is

necessary, in order to open the way to this understanding, that the masses, particularly the working class, take a more active and decisive role in political activities. To this end, protest movements, strikes, stoppages, street demonstrations, and any kind of resistance actions must be firmly promoted. By stepping up popular demands and the struggle for democracy, we can and must create a new political scenario.

Struggle is and must be the key to changes that are required. With this conviction, and by forcing events to bring about confrontation with the tyranny, the Communists have been and will be making the decisions more favorable to the people's interests in every specific situation, including that of the plebiscite.

The opposition can and must agree on common actions that can be undertaken in the struggle for democracy—before, during, and after the plebiscite. We must begin by realizing that the dictatorship must be ended and that the process of democratic reconstruction must guarantee the exercise of constituent power for the people, which is impossible with Pinochet in power.

The parties of the United Left have the great responsibility of holding high the banners of Salvador Allende; that is, those of the intransigent struggle for the rights of the people, against imperialism and oligarchy, and for a democracy consistent with its principles. We have the obligation to consolidate and develop the United Left coalition as the best alternative of government for the interests of the people. We must independently offer our own platform of in-depth economic, social, and political transformations as a banner raised by the bases, the Popular Demand Committees, and the Committees for Free Elections. In this way we can and must work for understanding and common action with the other opposition forces, without giving in to the hegemonic ambitions of burgeouis sectors.

Broad, resolute, and combative social mobilization is and will be the driving force of a democratic victory.

Former Government Press Secretary Attacked

PY191742 Madrid EFE in Spanish 1654 GMT 19 Feb 88

[Text] Santiago, 19 Feb (EFE)—Journalist Federico Willoughby, former press secretary of the Chilean Government junta, has reported that he was the target of an attack while driving his car in the outskirts of Santiago.

Yesterday Willoughby was driving to his ranch in the neighboring town of Melipilla when he was suddenly intercepted by a van that forced him off the highway, causing his vehicle to turn over. The journalist, who was slightly injured on the head, was helped by peasants at the site before he went to the Melipilla Carabineros station to report the incident. According to Willoughby, after the aborted attack the individuals fled in the van.

Answering local journalists, he admitted having received threats from extremist "from both sides," among them ACHA (Chilean Anti-Communist Action), although he recalled that everyone is aware of his anti-Communist stance.

Married, and the father of three, Federico Willoughby was the Government junta's first press secretary after the military coup in 1973, and he remained in this post until 1976.

Later he was founder and president of the rightist group "National Action Movement" (MAN), which has not been dissolved. Since 1984 he has called himself an "independent" politician.

National Democratic Party Established

PY191310 Santiago LA SEGUNDA in Spanish 8 Feb 88 p 10

[Text] The official gazette today published the statutes establishing the National Democratic Party (PADENA) headed by Wolfgang Prieur.

According to the gazette, the PADENA's origins lie in the old Democratic Party, founded on 20 November 1887 by Malaquias Concha. The party "rejects all concepts of selfish individualism, as well as totalitarian regimes that advocate the struggle of the masses and terrorism."

"It is democratic because it seeks the establishment of an authentic national community based on our national origins and common destiny, such as the family, the community, and other organizations expressed through a harmonious and solidaristic state of law."

The other party leaders are: Luis Armando Minchel and Jacinto Salgado Puente, vice presidents; Heriberto Bravo Munoz, secretary general; and Carlos Villa Ortiz, treasurer.

Colombia

Barco Says Legal Measures 'Temporary'

PA182017 Bogota Emisoras Caracol Network in Spanish 1215 GMT 12 Feb 88

[Text] President Virgilio Barco has stated that the defense of democracy statute is a collection of temporary measures. He said it was drawn up to fight the enemies of the country's institutions. However, he explained that the restriction of some civil rights and the modification of legal procedures cannot be permanent. The president said if these measures were made permanent the country's problems would worsen. The president stated this during the seminar "Popularly Elected Mayors and Human Rights," which was sponsored by presidential adviser Alvaro Tirado Mejia.

Attorney General Favors Legalizing Drug Trade

PA202028 Madrid EFE in Spanish 1710 GMT 20 Feb 88

[Excerpt] Bogota, 20 Feb (EFE)—According to statements made to the press today, Colombian Attorney General Alfredo Gutierrez expressed support for the legalization of drug trafficking in Colombia. Gutierrez succeeds Carlos Mauro Hoyos, who was murdered by drug traffickers on 25 January.

The new attorney general proposed the government form a commission comprised of ecologists, psychiatrists, sociologists, and lawyers and ask them to "propose new alternatives" in legalizing the production and consumption of cocaine and other drugs. Attorney General Gutierrez, who said that drug trafficking legalization is a "world need," added: "It is better that those economic resources go to the state than to the Medellin Cartel."

According to U.S. narcotics police, the "Medellin Cartel" is responsible for 80 percent of the cocaine that illegaly enters the United States.

Gutierrez said that "just as wine is in the Catholic Church, in many cultures drugs have been linked to religious practices and men's daily activities," because "vice is in the bottom of the human soul." Gutierrez recalled that when alcohol was banned in the United States, "U.S. people smuggled it in," and "the same thing happened in Colombia when tobacco was made illegal in the past."

Gutierrez, who said he is willing to meet with Pablo Escobar, considered as the chief of the Medellin Cartel, stated: "While marijuana is illegal in Colombia, it is sold like chewing gum in Middle Eastern countries." [passage omitted]

Amendment Referendum Rescheduled for 9 Oct

PA211615 Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 20 Feb 88

[Excerpt] The 13 March referendum called by Colombian President Virgilio Barco Vargas will definitively not take place. Following several meetings between the government and the Social Conservative Party, an agreement was reached to hold a referendum, or consultation with the people, on 9 October. Both sides agreed to form a 12-member [number as heard] commission to be comprised of five Liberal Party members, five Social Conservative Party members, and one Patriotic Union member. The Congress will be summoned to extraordinary sessions to appoint a commission comprising 50 people that will review the referendum's topics. The 9 October referendum will also authorize procedures to amend the Constitution. [passage omitted]

FARC Proposes Truce in Caqueta Department

PA211450 Bogota EL SIGLO in Spanish 19 Feb 88 p 1

[Text] The FARC has declared a unilateral truce in Caqueta Department to normalize the situation for the 13 March elections in this zone. Florencia Bishop Msgr Jose Luis Serna revealed the news after receiving a document in which a truce is proposed by FARC Fronts for 3, 13, 14, and 15 February; and from 24 February to 14 March.

Police Prevent Bomb Attack in Bucaramanga

PA192322 Bogota Inravision Television Cadena 2 in Spanish 1730 GMT 15 Feb 88

[Text] A terrorist plot to commemorate the anniversary of the death of guerrilla priest Camilo Torres was foiled several hours ago by Bucaramanga metropolitan police units. A car bomb with 240 kg of dynamite was found in the city. An iron bar was used to keep the car's steering wheel in a fixed position, and another bar was connected to the accelerator.

In a workshop, 113 kg of dynamite were found hidden in boxes of notebooks. Pamphlets of the self-styled Army of National Liberation were also confiscated, as were 200 T-shirts with that organization's slogan: "The people speak; the people rule." Six people have been arrested in this case so far.

ELN Claims Alvarado Pipeline Attacks

PA191408 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 13 Feb 88

[Report by Edgar Amaya from Ibague]

[Excerpts] While several groups have claimed responsibility for the oil pipeline attack in Alvarado Municipality, a foreign front command of the National Liberation Army [ELN], which has (?perpetrated) pipeline attacks throughout Colombia, is apparently responsible. [Words indistinct] northern Tolima has been ringed with 6th Brigade soldiers trying to find those responsible. [passage omitted]

In an attack on the oil pipeline between Huila and Puerto Caridad, [words indistinct] ELN claimed responsibility for the attack on the pipeline that crosses Alvarado. The announcement was telephoned in to the Econoticas program of Cadena Radial Super. The caller said the Alvarado pipeline bombing was to protest the approval of the antiterrorist law. Tolima Police Chief Colonel Carlos Alberto Puyol Barrantes is heading the investigation. [passage omitted]

Ecuador

Febres Cordero on Dollar Demand, Elections

PA211333 Quito Voz de los Andes in Spanish 1230 GMT 20 Feb 88

[Text] An increased demand for dollars was caused yesterday by the suspension of the sale of foreign exchange in the Quito and Guayaquil foreign exchange markets. The money exchange houses and banks restricted the sale of dollars after the offer substantially lowered the board quotations, which reached 355 sucres in Guayaquil and 348 in Quito. We are just buying and not engaging in any transactions, said the authorized establishments. We do not have dollars to sell, they added.

Meanwhile, the parallel market appeared again in Guayaquil, having reached in the late evening hours a quotation of up to 360 sucres per dollar. Banking sources consulted in this respect attributed the phenomenon to the nervousness caused by the statement made by Rodrigo Espinosa, president of the monetary board, that the Central Bank does not have a massive amount of dollars. The sources said that the increase in the quotation was also caused by a larger demand provoked by the implementation of certain mechanisms to permit the banks to cover their notes due, their overdrafts, and pending obligations. They added that based on these mechanisms, important operations were carried out in the past weeks involving large amounts of dollars.

President Leon Febres Cordero expressed the hope yesterday that the dollar market will become stable so measures can be adopted to have the economy reflect the Ecuadoran reality and not an unreal situation. On arriving in Guayaquil, the president was questioned by newsmen. He said the dollar increase affects the people's economy, which is why the precise moment must be sought to adopt measures that will not benefit those who—with small awareness of patriotism—send their capital abroad, thus harming the large majorities.

Regarding speculation, he said it is not easy to control prices, but that a list of prices exists, and the police have been instructed specifically to ensure compliance with it. The results of the campaign will be noticeable at the end of the month, he said, noting that the operation includes the intervention of the state enterprises National Enterprise for Warehousing and Marketing and National Enterprise for Vital Products, which will sell family-basket products at official prices.

Regarding a possible debate between the two candidates who won the primary elections, he said the people strongly demanded that the candidates give their views, and he added that he was not afraid to explain his views. I hold that the two who won are obliged to tell the people what they plan to do, so the people will know for a fact whom they will vote for, he said.

Regarding oil, he said that although we are in the rainy season, in the Northern Hemisphere the price of oil is quoted at 13.70 dollars per barrel.

Paraguay

PATRIA Editorial Denies Church-State Conflict

PY201839 Asuncion PATRIA in Spanish 20 Feb 88 p 7

[Editorial: "We Do Not Have a Conflict With the Church"]

[Text] Church officials have granted unusual importance and have greatly overreacted to a statement by the president of the Colorado Party Executive Board, which seems to have prompted anger instead of reason and understanding.

It is obvious that the church should be concerned if someone, especially a high-ranking politician, says: We are not very worried about the church's opinion. But one could say that when that same expression is regarded within the appropriate context, there is no reason for anger but rather for reflection and soul-searching, which befits the church in its role of spiritual guide.

As things stand, it is obvious that the statement of the president of the Colorado Party Executive Board is not viewed within a context, but rather as context in and of itself. This is where the confusion lies; this is why the issue has been magnified.

In the first place, it should be admitted that we are not being polemical, for polemics only enervates and irritates. And we would not be helping to make the pope's visit a harmonious one by creating a tense atmosphere, which is far from what the national government and the Colorado Party desire. In the second place, going back to the basic problem, the fact that the president of the Colorado Party was speaking in the context of a given political situation cannot be ignored. For political purposes, obtaining an electoral majority was more relevant in this situation than any other consideration, including eclesiastical arguments and censures not related to obtaining an electoral majority—nor should they be related because of the nonpolitical nature of such arguments and censures. They should not be related because the leadership of the church, over the conscience of the people, does not imply alienation of their political will, provided, of course, that such political will does not run contrary to doctrine of faith or it falls prey to doctrinary atheism.

The archbishop is quite right when he says that, by the grace of God, the Catholic religion "is the religion professed by the majority of the Paraguayan citizenry and is the religion of the Paraguayan state." But one cannot overlook the fact that the people do not express their worldly interests through religious organizations but through political parties. Neither can one overlook the fact that a political party, such as the Colorado Party, with a clear conscience, can also attract a majority of the

Paraguayan citizenry in a field of action broader than faith. If the majority is Catholic, if the majority supports the Colorado Party—if these two premises are true, then it is hard to believe in clashes. What should occur is the coordination of action and understanding, a place where anger is not used.

Despite the majority support it enjoys, the Colorado Party has never dreamed of asking for a seat at the Paraguayan Episcopal Conference. But as our shepherd has said, because of the Catholic majority, Catholicism is the religion of the Paraguayan State. This fact is objectively accepted in Msgr Ismael Rolon's recent statement but not when a seat of the State Council, which has been established precisely because the Catholic religion, by the grace of God, is left vacant. If this seat had been occupied, many irritating issues that exist or are invented would not have existed.

On the other hand, our shepherd does right in emphasizing the role of the modern church. One of the roles in its struggle is to expressly reject "social and political discrimination," which is something the Colorado Party, which is essentially democratic and Christian, agrees with. This rejection should also be expressed to sanction religious discrimination, that to the bewilderment of the Colorado and Catholic citizens, is beginning to take shape.

In sum, if there is something we are certain about it is that because of its own essence, and what is established by the Constitution, neither the government nor the governing party are in conflict with the church, but we are not sure this is reciprocated. Moreover, we share the shepherd's wise statement: "An answer and clarification are important (we note that they have already been given), especially now that the visit of the pope, the head of the Catholic Church, is approaching."

Catholic University Surveys Public Opinion

PY191931 Asuncion SENDERO in Spanish
19 Feb 88 pp 8, 9

[Summary] The Catholic University Nuestra Senora de la Asuncion and the FRG Friedrich Nauman Foundation have conducted a public opinion survey on current issues, including:

Interest in political activity: Among the personal interests of those asked, political interest figured at the bottom of a list that included interest in "the job (29.8 percent), the family (22.5), religion (16 percent), study (12.6 percent), sports (9.2 percent), social life (5.5 percent), and finally, interest in political activities (3.4 percent)."

Credibility in electoral results: The question asked was "Do you believe that the February election results truly reflect the population's political preferences." The answers indicated "no (37 percent), yes (34 percent), and more or less (15 percent)."

Political leaders and their image: To find out how well the population knows the political leaders and what image they project, "the pictures of 18 political leaders were shown, asking for their names and parties." By picture recognition, "the leaders of the National Republican Association (Colorado Party) were found to be the best known," with President General Alfredo Stroessner turning out to be the best known, followed by current party president Sabino Augusto Montanaro, former party president Juan Ramon Chaves, and second party vice president Mario Abdo Benitez, in that order.

"Among opposition leaders, the best known was Authentic Radical Liberal Party President Domingo Laino."

Expectation of change: "Everything is fine and it should continue that way," said 20 percent of those asked; "there should be a complete change," said 19.5 percent; "a few things should be changed," said 29.1 percent; and "many things must be changed," responded 25.5 percent.

Political unrest: Trying to survey the country's political climate, "those polled were asked whether the current political circumstances are responsible for a climate of unrest." The answers received were yes (52.9 percent), and no (41.1 percent).

Those that responded yes "were asked which of these were responsible for the unrest: Communism, the government, the Catholic Church, the Colorado Party Executive Board, the recognized political opposition, the unrecognized political opposition, the social movements, foreign governments, or dissident sectors of the Colorado Party. The answers indicate that the unrest can be blamed, first, on the government (47 percent); second on Communism (21.5); and third, on the Colorado Party Executive Board (11.36 percent). Then came the Catholic Church (2.3 percent), the recognized opposition (2.1 percent), and dissident sectors of the Colorado Party (2.3 percent)."

"As for the party affiliation of those polled, the results showed that the Colorado Party has a near monopoly among those of voting age (49.2 percent), followed by those who do not belong to any political party (34.3 percent). Much further down in percentage came the Authentic Radical Liberal Party (3.3 percent), the Liberal Party (2.6 percent), the Febrerista Revolutionary Party (1.4 percent), and the Radical Liberal Party (1.2 percent)."

Peru

West German Minister Visits, Meets Garcia

LD211055 Hamburg DPA in German 0054 GMT
21 Feb 88

[Excerpts] Lima (DPA)—At the start of a 3-day visit to Peru, Hans Klein Federal Minister for economic cooperation, met Saturday with State President Alan Garcia, with whom he discussed primarily the state of FRG-Peruvian relations.

During the 2-hour talk in the government palace in Lima, which he described afterwards as "very open and very intensive", the CSU [Christian Social Union] politician gave the Social Democratic head of state a list with the names of seven Peruvians who have "disappeared without trace" since their arrest by security forces in the guerilla area of the highlands. This list had been given to Klein before his departure for Peru by Bishop Franz Kamphaus of Limburg.

According to Klein, Garcia stated that he was "grateful" that this topic had been brought up. The number of victims of the guerilla war had gone down considerably under the Social Democratic government, which has been in office for 2 and 1/2 years. [passage omitted]

The Peruvian President stressed that his government was interested in an expansion of relations with the Federal Republic, which have traditionally been good, and would like above all to attract greater German investment to the country. [passage omitted]

Also taking part in the talk in the government palace were Peruvian Foreign Minister Allan Wagner, Economy and Finance Minister Gustavo Saberbein, Industry Minister Alberto Vera la Rosa, and Planning Minister Javier Tantalean [preceding two names and titles as received] Afterwards, Klein was awarded the Peruvian Order of the Sun at a reception in the Foreign Ministry hosted by Wagner. [passage omitted]

Democratic Front Releases Statement on APRA

PY191404 Lima EL COMERCIO in Spanish
13 Feb 88 p A-1

[Text] The Democratic Front, which is made up of Popular Action, the Christian Popular Party, and the Libertad movement, yesterday released a statement evaluating the first 2 and 1/2 years of the APRA administration.

The Front stated that "the people are concerned about the future of our fatherland, which has plunged into a crisis that has been worsened by the government's lack of ability."

It added that in view of the economic problems, terrorism, drug trafficking, international isolation, the decay of society, corruption, demagogy, and the constant violation of the Constitution, "we will overcome the crisis only if we promote the people's authentic and free participation in the solution of community and national problems promoting accord and doing away with hatred."

Democratic Front leaders Fernando Belaunde Terry, Luis Bedoya Reyes, and Mario Vargas Llosa also expressed the wish to preserve essential principles, like respect for life, freedom, dignity, and democracy.

"The Peruvians who love freedom and want peace, progress, and justice have begun to march," the statement concludes.

Shining Path Kills Soldiers in Huancavelica

PA201419 Buenos Aires REUTER in Spanish
2118 GMT 19 Feb 88

[Text] Lima, 19 Feb (REUTER)—The Peruvian police said today that 10 soldiers and 2 civilians were killed and another soldier was injured when suspected Maoist Shining Path guerrillas ambushed a military patrol in the Province of Huancavelica, in Southern Peru.

The police said that yesterday approximately 30 Shining Path guerrillas blew up and machinegunned two patrol vehicles in an area located 40 km from the city of Huancavelica. The patrol was protecting a road construction crew.

This is one of the most serious incidents since the Shining Path began its struggle for power. The authorities said that the guerrillas have killed approximately 11,000 persons and caused damage totaling $5 billion.

In April 1987, suspected Shining Path guerrillas attacked 10 soldiers and 4 civilians in an ambush of a Huancavelica patrol.

Uruguay

Vice President Leaves for Nicaragua

PY201512 Montevideo Radio Carve in Spanish
0930 GMT 20 Feb 88

[Excerpt] Uruguayan President Julio Maria Sanguinetti talked to Radio Carve at the Carrasco International Airport, where he bid farewell to Vice President Enrique Tarigo, who left for Nicaragua to attend the opening ceremonies of the new session of the Nicaraguan National Assembly. Sanguinetti reaffirmed that Uruguay must be present in Central America.

[Begin Sanguinetti recording] All the countries that comprise the Contadora Group must be present in Central America. Nicaragua is conducting a revolutionary process through which it seeks to reestablish democracy or to build a democracy it never had. It is very important to closely follow this difficult process because some sectors support it and others oppose it.

It is important that countries like ours be present in Nicaragua in order to support peace and democracy. [end recording] [passage omitted]